What can Private Label Brands do to increase consumer perception of quality, in grocery retail.

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Master in Marketing

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RESUMO

As Marcas Próprias estão a crescer a um ritmo acelerado em Portugal, mas ainda um grande número de consumidores de supermercados considera que estas marcas têm qualidade inferior às Marcas Nacionais. Para se diferenciar dos concorrentes, os retalhistas devem tentar aumentar essa perceção de qualidade através de diferentes estratégias de marketing.

Assim, esta dissertação tem como objetivo investigar se várias estratégias aumentam positivamente a perceção de qualidade do consumidor em relação às Marcas Próprias, no retalho alimentar. Dois estudos principais foram realizados. Em primeiro lugar, foram feitas entrevistas detalhadas a cinco colaboradores de marketing que trabalham diariamente nos departamentos de Marca Própria de cadeias de retalho alimentar portuguesas, com o objetivo de obter uma perceção e experiência profissional sobre este tema. Em segundo lugar, foi realizado um inquérito online com 204 respostas válidas para recolher a opinião dos consumidores de compras de supermercado.

Após analisar toda a informação recolhida, foi possível identificar e concluir quais as estratégias que aumentam positivamente a perceção do consumidor sobre a qualidade das Marcas Próprias. As principais estratégias a serem seguidas pelos retalhistas foram aumentar a qualidade do produto, inovar, melhorar a comunicação, a embalagem e ter várias Marcas próprias para diferentes segmentos de clientes. As duas estratégias que foram rejeitadas por este estudo e consequentemente não deveriam ser seguidas pelos retalhistas para aumentar essa perceção de qualidade do consumidor são aumentar os preços e não usar o nome do retalhista nas Marcas Próprias.

Palavras-Chave: Marcas Próprias; Consumidores de supermercados; Marketing; Perceção de Qualidade; Retalhistas

Sistema de Classificação JEL: M31 Marketing; L81 Retalho

ABSTRACT

Private Label brands are growing at a rapid pace in Portugal, but still a large number of supermarket consumers think these brands have lower quality than National Brands. In order to differentiate from the competitors, retailers should try to increase this perception of quality through different marketing strategies.

Therefore, this dissertation aims to investigate whether various strategies positively increase the consumer perception of quality towards Private Label brands in grocery retail. Two main studies were carried out. First, detailed interviews with five marketing employees directly working in the Private Label departments of Portuguese grocery retail chains were made, with the objective of obtaining a professional perception and experience on this topic. Secondly, an online survey with 204 valid answers was conducted to gather the grocery shopping consumer opinions.

After analyzing all the information gathered, it was possible to identify and conclude which strategies positively increase consumer perception of quality on Private Labels. The main strategies for retailers to follow were to increase the product quality, innovate, improve the communication, packaging, and have multi-tier Private Labels, to reach different customer segments. The two strategies that were rejected by this study and consequently shouldn't be followed by retailers in order to increase this consumer perception of quality are to raise the prices, and to not use the retailers name on Private Labels.

Keywords: Private Label; Supermarket Consumers; Marketing; Perception of Quality; Retailers

JEL Classification System: M31 Marketing; L81 Retail

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Glossary of Acronyms

NB: National Brand

PL: Private Label

SB: Store Brands

FMCG: Fast-Moving Consumer Goods

1. INTRODUCTION

1.1. Theme and its Importance

Retailers initially created their Private Label Brands or Store brands as a low-cost alternative for low-income consumers, but this reality is changing as more retailers are investing tremendously in their brands to try and change this consumer perception of low prices and poor quality.

Nowadays, the quality of Private Label brand's products is proven to be similar to the national brands, and retailers are even creating Premium Private Label Brands to compete directly with quality-seeking consumers, instead of just targeting price-sensitive consumers with the economic or standard Private Label brands. The Covid-19 pandemic came to reinforce the importance of Private Labels. The Portuguese consumers had to change the way they bought groceries, due to the decline of their purchase power. Moreover, the lockdown gave more time for consumers to research different brands, and with this, Private Labels had a very positive year. With the recent inflation, the prices of the products are increasing, giving more opportunities for the Private Labels to grow even more. The National Brands have a higher inflation rate than the Private Label Brands, making the price gap between these two, greater.

But the consumers will still have a higher perception of quality of the national brand's products, than the Private Label brand's products. This is due to the marketing efforts of the manufacturers with millions of euros invested in publicity to increase brand awareness and brand loyalty.

1.2. Objectives and motivation

This research has the main objective of helping retailers through different marketing strategies, so that consumers have the same or even higher perception of quality of Private Label brand's products, compared with national brands' products. These strategies are meant to be effective for every kind of retailer. An upcoming player or even a well-established international retailer.

Different kinds of strategies will be investigated to see their advantages and disadvantages, discuss them and in the end, suggest the best strategies that retailers can follow, to be able to increase the consumer's perception of quality of their Private Label brand's products, and so, increase their market share.

The moment I started thinking about what theme I was going to address in my master's thesis, I instantly thought about Private Label brands. The retail business fascinates me, and I want to pursue a career in this area, in the marketing sector. The supermarket ads here in Portugal are so iconic. For example, practically every citizen of Portugal knows the Pingo Doce jingle "Vem ao Pingo Doce de Janeiro a Janeiro" and Continente's Leopoldina or more recently, Popota.

The part about Private Label brands came to me because of a personal situation. Ever since I was a kid, I always preferred the Continente's Ice Tea flavor, and all of my friends preferred the typical Lipton, even though they never tried the Continente one, which they might prefer, if they indeed would try it, and save some money since Lipton's Ice Tea is more expensive. So, the goal is to investigate different strategies to increase the consumer's perception of quality regarding Private Label brand products, so that consumers are keener to try these products, and might even enjoy them more than the typical national brands, and with that, save some money.

1.3. Thesis Structure

This research is structured into 6 main chapters, with subchapters for each. In this **first** chapter, which is the introduction, is presented a contextualization of the dissertation theme, the objectives and motivation. The **second** chapter is the literature review to outline the main points based on scientific research from significant authors regarding this topic. There will be two main subchapters regarding National brands and Private Labels, and another one about the retail industry.

The **third** one will be made a contextualization of the retail Portuguese market, with analysis of the main supermarket chains. On the **fourth** will be shown the conceptual model and research hypothesis, which will later be validated or rejected based on the methodology. Chapter **five** is based on the presentation of the results obtained through the applied methodologies, as well as the respective analysis.

Lastly, Chapter **six** is constituted by the final considerations, by some intrinsic limitations to this investigation, but also for the main theoretical and managerial contributions of this research and perspectives of future investigations.

2. LITERATURE REVIEW

2.1. Brand Management

In the text forward, there will be a classical and a more up-to-date definition of a brand, and some concepts that help to understand what a brand is.

The concept of a brand can be defined as "(…) a name, term, design, symbol or any other feature that identifies one seller's goods or service as distinct from those of other sellers" (American Marketing Association, 2021).

This definition has been untouched by the American Marketing Association (AMA) for 80 years, and Conejo and Wooliscroft (2015) argue that AMA presents Brands at their most basic level and unsophisticated, and should put forward a more up-to-date definition that goes beyond just names, features or symbols. The definition, according to these authors, should be: "Brands are re-defined as complex multidimensional constructs with varying degrees of meaning, independence, co-creation and scope. Brands are semiotic marketing systems that generate value for direct and indirect participants, society, and the broader environment, through the exchange of co-created meaning" (Conejo & Wooliscroft, 2015, 297).

This is because brands have evolved into more than just a finished product or feature. Brands started to gain meaning and complexity, overshadowing the products to which they initially referred. They even separate completely from the products sometimes. Brands are often more valuable than their products.

We can´t deny that with the development of economics and marketing, brands are significantly important for everyone. They make the consumers feel more attractive, wealthier, and self-confident. Said this, and to better understand the concept of branding, there are some important concepts to be defined according to Poturak (2016):

- Brand awareness – This is the degree to which a brand is perceived by consumers, and all of us have it unconsciously in our minds. A brand that is constantly in the consumer's mind and memory is more likely to be purchased than one that no one knows or heard about.
- Brand loyalty - This is a positive emotion and faithfulness towards a brand. It can be defined as the commitment of buying the same product or service from the same brand and paying little attention to the competition.
- Brand design - The first impression that people make about a product is its design. This is the reason why strong brands make connections since if a customer enjoys the design, they are attracted immediately to it.

The concept of a brand can't anymore be defined as a name, design or feature. Brands are complex multidimensional constructs that generate value for direct and indirect participants, society, and the broader environment, through the exchange of co-created meaning. The concepts that help understand branding are brand awareness, brand loyalty and brand design.

In this dissertation, two types of brands will be defined. National Brands (NBs) and Private Label Brands (PLs). NBs are the brands of manufacturers that invest in their brand image, brand awareness, brand loyalty, and brand design, to achieve higher brand equity. PLs are owned by retailers and compete with the NBs, traditionally through lower prices, and more recently through different strategies that will be presented in this paper.

2.1.1. National Brands

National Brands (NBs) are brands promoted and distributed nationally under a manufacturer brand name (Arce-Urriza & Cebollada, 2017).

NBs position themselves typically through product quality and invest tremendously in marketing, with tools such as advertisement on different platforms, like TV, the Internet and Newspapers, to create brand awareness and value (S. Kumar & Kothari, 2015). This said, Brand value is typically associated with product quality (Keller & Lehmann, 2006), and NBs are known for their brand and have a loyal customer base developed over many years through trust (Chakraborty et al., 2021).

2.1.2 Private Label Brands

For the next part, the concept of Private Label brands will be defined and shown the growth from the beginning to today. Also, the advantages of the Private Label Brands for retailers, the strategy of multi-tier Private Label Brands and the perceived quality that consumers have towards them.

2.1.2.1 History and Growth

Private Labels (PL) or Store Brands (SB) are the products that convey a certain retailer's name or private brand. Sometimes, they can carry their own retailer's chain name, or a variety of brand names created exclusively by the retailer (Private Label Manufacturers Association, 2021).

PLs initially were introduced as a low-cost option by the retailers and were seen by the consumers as having poor quality due to their deeply low prices and basic packages. But since the late 1970s, PLs emerged in the retail sector of developed economies, especially in Europe. In the

1980s, their quality started to improve and their resemblance to the typical National Brands (NB) enlarged.

In more recent times, and due to the economic crisis of 2000 and 2008, consumers were forced to be more careful with their spending and focus on lower-priced products with acceptable levels of quality. Once the consumers started to acquire these PLs products and being satisfied with them, they wouldn't return to the NBs, due to trusting the product's quality and being familiar with them. (Rita et al., 2021).

Many retailers started to move toward premium or higher quality PLs, to change the perception of low quality that consumers had. The manufacturers started to change their idea that PLs are just bought by consumers who can’t afford NBs and are cheap alternatives. PLs today are definitely attractive alternatives to NBs and the quality perception of consumers has changed (Martos-Partal et al., 2015). The growth and expansion of PLs have been so massive that brands, which previously were known as low-price/low-quality commodities, are now requiring serious branding attention (Marques et al., 2020).

PLs have helped retailers increase their profits in a really low-margin sector, like the fast-moving consumer goods (FMCG) one (Rita et al., 2021), and make ways for retailers to control oversupply (over-production Vs under-production), pricing and promotions. PLs also allow retailers to directly compete and reduce their dependency on NBs. This can be accomplished by the fact that PLs can naturally cannibalize the demand of the NBs, and with that, force the manufacturers to lower the wholesale prices (Chakraborty et al., 2021).

Between 2015 to 2016, the market share for PLs increased from 30,5% to 31,4% in Europe and is predicted to keep growing. This is due to the massive store expansion that retailers are doing giving extra access for consumers to reach PLs, and with the digital transformation, shoppers are given a wider choice.

Another upside for PLs is the changes in demographic. Millennials include 24% of the global population, and this number is expected to grow in the next years, replacing Baby Boomers as the generation with the highest discretionary spending power. The new generations are much more open-minded than the oldest, value-conscious and willing to try different products, which includes PLs.

According to Nielsen (2018), one of the biggest catalysts for PLs growth is the consolidation and expansion of modern retail chains. PLs gain more visibility and have more shelf space, in hypermarkets, since they have wider product ranges. Also, smaller stores like supermarkets or convenience stores, help PLs if they focus on fresh and chilled offerings.

Local retailers are winning market share since they are focused on delivering the best products at the lowest prices to win the hearts and minds of their shoppers. They also have a consistent approach to keeping their consumers informed about the latest trends in convenience and health matters and improving the quality of their products. For example, Mercadona has a high share of PLs in Spain due to the good value for money that consumers see under the slogan of low prices every day with no advertising or promoted products. Mercadona's success depends on its ability to provide customers with innovative PL products.

PLs first started as low-quality products to target very price-sensitive consumers with little to no investment in packaging, quality and advertisement but, this all changed and nowadays, retailers are betting much more on PLs due to the massive store expansion, the changes in demographic, and the consolidation and expansion of modern retail chains.

2.1.2.2 Multi-Tier Private Label Brands

PL offerings have developed to such an extent that large retailers rarely market a single PL and instead devise PL portfolios to attract multiple consumer markets at the same time. A common brand portfolio strategy involves three tiers that suggest a "good, better, best" approach, with a line of economic and premium PLs as well as the classic standard brand that has been available since the beginning.

Standard PLs tend to be balanced in terms of quality and price and follow a strategy of mimicking NBs, allowing them to offer similar quality for a lower price. By contrast, economic brands emphasize the primary uses of the product, positioning themselves as a cheaper alternative and engaging in limited promotional activities, simpler packaging and more economical ingredients (Martos-Partal et al., 2015). Typically, economic PLs do not have quality equivalent NBs in the traditional supermarket range. Lastly and definitely the most important one for retailers, are the premium PLs that position themselves at the top end of the market and have quality equal to the top-of-mind NBs, while still selling normally for a lower price.

Introducing an economic PL can be both beneficial and detrimental to a retailer. First, it can be beneficial, due to the compromise effect. Standard PLs will increase in utility and, consequently, choice probability. This happens because standard PLs become a compromise or middle option for consumers, and also the perceived difference between a standard PL and a premium PL lowers if an extremely low-quality option appears. Secondly, it can be detrimental because of the similarity effect. When introducing an economic PL, the total PL share might even decrease by diluting the standard PL quality image. Dilution of brand strength may come not only from a downgrade effect but also from a quality variation effect. The introduction of a lower-quality affiliate product creates negative associations with the main brand (i.e. the standard PL) that are difficult for a business to overcome (Geyskens et al., 2010).

One example that has already established this multi-tier strategy of PL brands in Portugal is Continente. Starting with their Continente brand has being the economic one, with the lowest prices and investment in packaging and marketing. Continente Equilíbrio, or balance in English, as the name suggests, provides a balance between price and quality (standard one). Finally, the premium PL brand is Continente Seleção or selection, which sells high-end and top-quality products at a premium price, with slick and appetizing packaging.

Continente has two more PL brands that are positioned between the standard and premium categories, Continente Bio, and Continente Eco. As the names suggest, these brands focus on biological, and sustainable products, respectively, at low prices.

There are three types of PLs. The economic one that positions itself as a low-cost option for price-sensitive consumers, with no investment in packaging and advertisement. The standard, which has a balance between quality and price. And the premium, which is positioned at the top of the market and has the quality that competes directly with the premium and luxury NBs.

2.1.2.3 Perceived Quality of Private Label Brands

The concept of a product's perceived quality can be defined "as a relatively global value judgment generated in the relations between customers and suppliers and in which both parts are active" (Gil-Cordero et al., 2021, 79). Ailawadi et al. (2001) defined this concept as the consumer's judgement for the quality of the product instead of the features. Consumers have high purchase intentions and are willing to pay more for a brand based on its brand value and perceived quality (Netemeyer et al., 2004). Consumers believe that the distinction or superiority of a product is based on consumer judgement about product quality. Perceived product quality positively impacts brand preference through product value. Therefore, quality is a vital predictor of the consumer's assessments of products and brands (Wang, 2013).

Consumers judge a product's quality via two different cues, intrinsic and extrinsic (Jacoby et al., 1971). As the name suggests, intrinsic cues are internal qualities specific to the product, such as taste or aroma. Consumers typically experience these attributes when consuming the brand. Extrinsic cues are external to the product and include price, packaging, brand recognition and advertising. In the absence of brand consumption, which would allow consumers to experience the intrinsic qualities of the brand, consumers turn to extrinsic cues to make quality inferences (Nenycz-Thiel & Romaniuk, 2016).

As said before, PLs were first introduced as a low-cost option by retailers and were seen by consumers as having poor quality due to their deeply low prices and basic packages. Therefore, compared to NBs, PLs were inferior on extrinsic cues. PLs objective quality was also worse than NBs in regards to the ingredients and materials used (N. Kumar & Steenkamp, 2007). Despite changes in objective quality as retailers have transformed PLs into competitive brands, perceptions of the inferior quality of traditional or standard PLs have not disappeared (Nenycz-Thiel & Romaniuk, 2009). Though, premium PLs entered the market at a higher price than the standard PLs and typically had better packaging (Geyskens et al., 2010). More recently, premium PLs have started to receive celebrity endorsements and advertising support, such as Chef Jamie Oliver for Sainsbury in the UK. So, the extrinsic cues for premium PLs are better and more in line with NBs.

Nenycz-Thiel and Romaniuk (2016) consider that the perceived quality of premium PLs is perfectly comparable to the NBs. These differ from the standard PLs across different dimensions which can impact the perception of quality that consumers have. Firstly, are the names of the brands, which include words that are related to premium or luxury products, such as Finest. Secondly, the investment in extrinsic cues like promotion and packaging is much higher, to indicate to the consumers the high quality of the products (Lincoln, K., & Thomassen, 2008). Finally, premium PLs prices are equal to or sometimes even higher than the NBs (Nenycz-Thiel & Romaniuk, 2016).

Since PLs don´t make the same investments as NBs do in marketing, they have to follow different tactics, like in-store marketing to educate consumers and foster their growth, to increase brand equity and the perception of quality (Mishra et al., 2021). In-store marketing is an indispensable tool for PLs (Beneke & Carter, 2015), where the use of displays, posters, and the good management of shelf space, store atmosphere, and service has a positive effect on brand attention and sales (Abril & Rodriguez-Cánovas, 2016). Positioning PL products next to NB products in the stores also helps to infuse a perception of parallel quality between them. (Olbrich et al., 2016).

Perceived quality values in various categories are one of the relevant reasons why consumers prefer and pay a premium price for NBs rather than buying PLs (Sethuraman & Cole, 1999). According to Walsh & Mitchell (2010), with a decrease in the perceived quality value between PLs and NBs, consumers would be more inclined to buy PLs.

Shoppers judge a product's quality via intrinsic and extrinsic cues. While intrinsic cues are related to the taste and aroma of a product, extrinsic cues include price, packaging, brand recognition and advertising. PLs are still perceived as having lower quality than the typical NBs, but the implementation of premium PLs definitely helps to put them both on the same spectrum of quality.

2.2. Retail

Retailing as we know it today is extremely different from how it was in the past. According to Hopping (2000), the payment was made only through coins that did not have to depend on the government. The use of paper money came later since it depended on banks and consumers were reticent to use it. In the 19th century, the majority of people lived on farms, and so, they practically ate what they grew. Preparing a full meal for a family took around 5 hours in 1900, and in 1950, took 2 hours.

Even though the changes have come slowly, and most of the time as a later adopter, retailing has constantly gained vast benefits from technology.

Nowadays, we have credit cards, debit cards, and simplified currency values. We can buy goods from anywhere in the world by anyone, with quick response and delivery times. For today's consumers, time and convenience are the new currencies.

Retail revolutions are one of the main drivers for the constant and disruptive changes in retail. This term, retail revolutions, originally referred to the transformation of retailing from primitive, local, and traditionally organized, to the currently large scale, nationally combined and up-to-date systems (Stobart, 2010).

These days, we are going through another retail revolution. According to Kahn et al., (2018) the retail shopping experience is facing the most radical transformation since the invention of the shopping cart in 1937. The reasons for this transformation are:

- E-commerce giants – E-retailers like Amazon, Ali-baba, and JD.com have completely changed the convenience of shopping for consumers, not only online but also offline, with the opening of their own stores.
- Omnichannel shopping – Customers are now shopping through different channels and expect retailers to provide them with different experiences throughout every channel.
- Technological changes – The retailer with the internet, social media, Internet of things, has the ability to constantly communicate with the consumer and research them.
- Big data – There are new algorithms that are able to provide consumers with vast personalized, and customized offerings.
- Digitally native consumers – The millennials and generation Z have grown up in this digital world, making the way they shop, completely different from older generations. They also care more about environmental problems and sustainability.

Another reason for this change in retailing is without a doubt, the COVID-19 pandemic. Retailers need to, not only focus on the immediate present and strategies to survive in this market but also try to anticipate what the landscape will be after the pandemic ends, since some practices that consumers do during the pandemic, will probably remain after it ends, becoming the new norm. For example, consumers will probably continue to buy groceries online.

The pandemic also brought a new economic reality with an enormous amount of job losses, which means that consumers are spending a lot less and focusing on primary goods, instead of luxury products. The discount retailers and more economical brands will benefit from this situation, while high-end retailers will ache.

The in-store experience changed also since customers will value more stores that are clean, have a lot of space, and ultimately, make the customer feel safer (Roggeveen & Sethuraman, 2020).

The retail sector nowadays is going through a major transformation due to the E-commerce giants, omnichannel shopping, technological changes, Big data, digitally native consumers, and more recently, the COVID-19 pandemic that switched the retailing world from offline to online.

2.2.1. Types of Stores

The retailing landscape of groceries is changing dramatically. 20 years ago, consumers mainly bought groceries in conventional supermarkets. Today, conventional supermarkets account for less than 65 per cent of food sales (excluding restaurants). Online sales have grown 14.1 per cent annually over the past five years. Store retailers such as Walmart and Target offer full ranges of grocery products in their hypermarkets, while traditional supermarkets carry more non-food items. Many supermarkets offer pharmacies, health clinics, banks and cafes (Levy, M; Weitz, B; Grewal, 2019).

- **Hypermarkets** – Large stores with a selling region of 2.500 square meters or more (Nielsen, 2021), that sell groceries and general merchandise categories, working on a self-service system, where the customer himself chooses, collects, transports and pays at a terminal point (Sigma Quadrado, 2021). Typically, are in warehouse-type structures with large parking accommodations and focus on fresh produce (meat, fish, and bakery items) (Levy, M; Weitz, B; Grewal, 2019). Some examples are Continente and Auchan in Portugal.

- **Supermarkets** - A conventional supermarket is a large self-service grocery store that offers groceries, meat and produce, and also some non-food items like health items, beauty aids and general merchandise. Perishable goods, including meat, produce, baked goods, and dairy products, account for nearly 54 per cent of supermarket sales and typically have higher margins than packaged goods (Levy, M; Weitz, B; Grewal, 2019). They can be divided into small and large supermarkets. The large has a selling region of between 1.000 to 2.499 square meters, while the small has between 400 to 999 (Nielsen, 2021). Pingo Doce and Intermarché are examples of supermarkets.

- **Convenience Stores -** Convenience stores offer a limited selection of goods in one convenient location where they enable consumers to shop quickly without searching through a large store and waiting in long lines at the checkout. They generally charge higher prices than supermarkets for similar products such as milk, eggs, and bread (Levy, M; Weitz, B; Grewal, 2019). The selling region is between 50 to 399 square meters. Some examples are Amanhecer and Coviran (Nielsen, 2021).

3. CONTEXTUALIZATION – FOOD RETAIL MARKET IN PORTUGAL

According to Figures 3.1 and 3.2, the number of total stores remained mostly constant with -0,5% and -0,2% year-to-year variation, although the number of convenience stores in Portugal shows a diminishing tendency, reducing from 4324 (76,7% of the total number of stores in Portugal) in 2018 to 4214 (75,3%) in 2020. This is due to the substantial growth of the large retailers in Portugal, opening more large supermarkets like the Continente Bom Dia stores that are present all over Portugal. The number of large supermarkets grew from 508 (9%) in 2018 to 581 (10,4%) in 2020, corresponding to a growth of 14,4% within this type of store (Nielsen, 2021).

	2018	2019	2020	VAR 2020/2018
HYPERMARKETS	103	105	105	2,0%
LARGE SUPERMARKETS	508	537	581	14,4%
SMALL SUPERMARKETS	702	697	696	-0,9%
CONVENIENCE STORES	4324	4268	4214	-2,5%
TOTAL	5637	5607	5596	-0,7%
VAR VS PREVIOUS YEAR		-0,5%	-0,2%	

Figure 3.1 - Number of Stores in Portugal (Quantity)
Based on: (Nielsen, 2021)

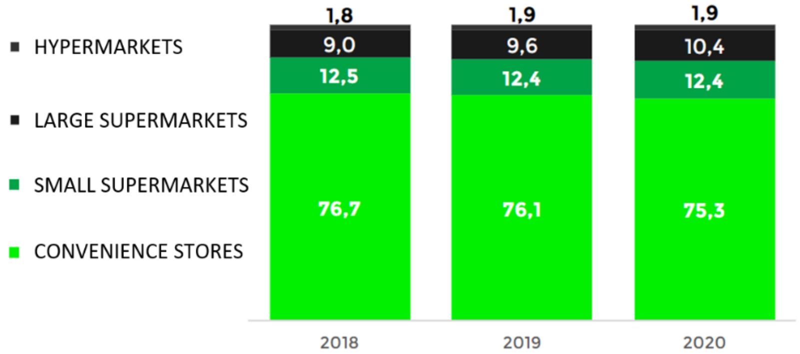

Figure 3.2 - Number of Stores in Portugal (Percentage)
Based on: (Nielsen, 2021)

Looking at Figure 3.3, every type of store grew in terms of sales from 2018 to 2020, with yearly variations of 3,6% in 2019 and 7,4% in 2020 but, observing the percentages of total sales in Figure 3.4, the Large supermarkets were the type that grew more, from 37,3% to 40,2%, which leads to a growth of 19,8% from 2018 to 2020 within this type of store, while the Small supermarkets were the opposite, decreasing from 21,9% to 20%. (Nielsen, 2021).

	2018	2019	2020	VAR 2020/2018
HYPERMARKETS	2318	2347	2490	7,4%
LARGE SUPERMARKETS	3075	3284	3684	19,8%
SMALL SUPERMARKETS	1807	1834	1839	1,8%
CONVENIENCE STORES	1047	1078	1162	11,0%
TOTAL	8248	8543	9174	11,2%
VAR VS PREVIOUS YEAR		3,6%	7,4%	

Figure 3.3 - Sales in Global Value in Portugal (Percentage)
Based on: (Nielsen, 2021)

Figure 3.4 - Sales in Global Value in Portugal (In Millions of Euros)
Based on: (Nielsen, 2021)

The 10 most important retailers in Portugal are Continente, Auchan, Pingo Doce, El Corte Inglés (El Corte Inglés, SuperCor), DIA (Minipreço, Clarel), Intermarché, E. Leclerc, Mercadona, LIDL and Aldi (Nielsen, 2021).

Looking at the number of stores per retailer, Continente has clearly the most number of hypermarkets in 2020 (41+4), followed by Auchan (30) as seen in Figure 3.5, meanwhile Pingo Doce leads with a great margin in the number of supermarkets in 2020 (398), while LIDL (260) and Intermarché (251) follow (Figure 3.6). Regarding the number of convenience stores, DIA (333+71), and Amanhecer (326) lead the count (Figure 3.7).

	2018	2019	2020
		HYPERMARKETS	
AUCHAN	29	30	30
CONTINENTE	41	41	41
CONTINENTE MODELO	4	4	4
E. LECLERC	18	18	18
EL CORTE INGLÉS	2	2	2
PINGO DOCE	9	10	10
TOTAL	103	105	105

Figure 3.5 - Number of hypermarket stores per retailer
Based on: (Nielsen, 2021)

	2018	2019	2020
		SUPERMARKETS	
ALDI	64	73	83
AUCHAN	5	5	5
CONTINENTE BOM DIA	107	119	129
CONTINENTE MODELO	107	110	113
E. LECLERC	3	3	3
LIDL	251	256	260
INTERMARCHÉ	245	246	251
MERCADONA		10	20
PINGO DOCE	387	389	398
SUPERCOR	6	6	6
AMANHECER	2	3	5
MEU SUPER	11	11	14
MINIPREÇO	178	162	158
MY AUCHAN	5	6	6
SPAR	13	13	12
OTHERS	141	151	157
TOTAL	1525	1563	1620

Figure 3.6 - Number of supermarket stores per retailer
Based on: (Nielsen, 2021)

	2018	2019	2020
		CONVENIENCE STORES	
AMANHECER	342	342	326
CLAREL	69	71	71
CONTINENTE BOM DIA			2
INTERMARCHÉ	4	3	2
MEU SUPER	267	251	250
MINIPREÇO	354	340	333
MY AUCHAN	16	23	23
PINGO DOCE	14	15	15
SPAR	46	50	56
OTHERS	3212	3173	3136
TOTAL	4324	4268	4214

Figure 3.7 - Number of convenience stores per retailer
Based on: (Nielsen, 2021)

According to the graph bellow (Figure 3.8), Continente has the highest market share in grocery retail, with an increase of 7,9% from 2007 (14%) to 2017 (21,9%), while Pingo Doce is a close second with an increase of 8,5%, from 12,3% to 20,8% (Sonae MC, 2018).

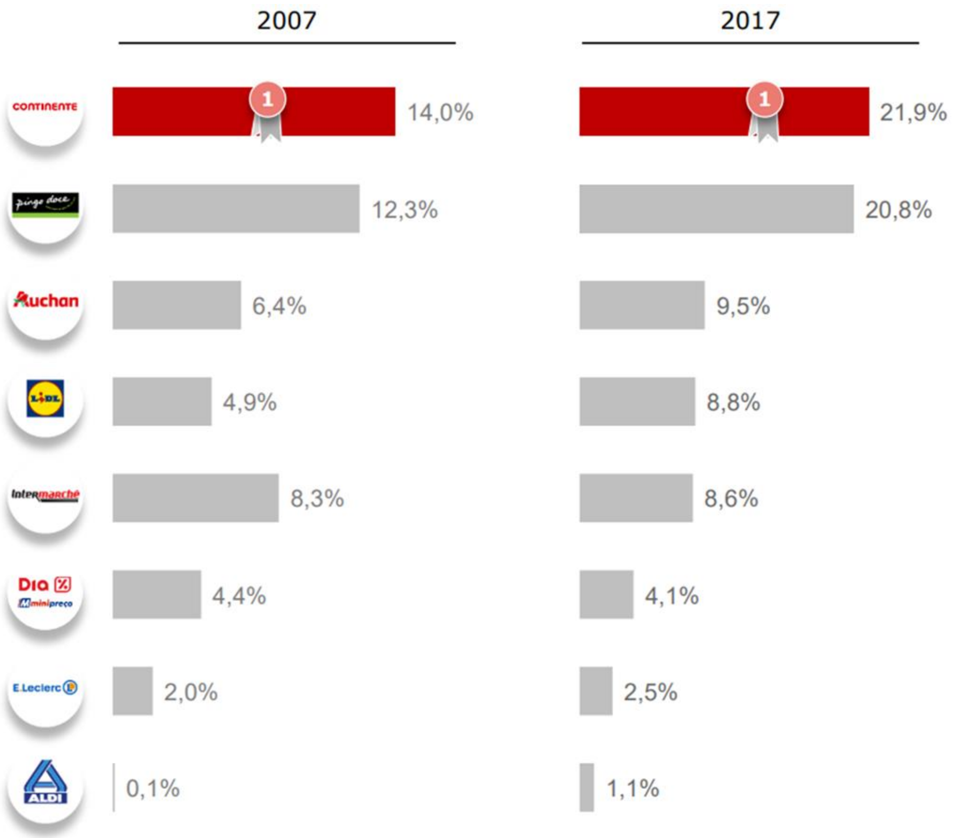

Figure 3.8 - Grocery Retail Market Share
Source: (Sonae MC, 2018)

Private Label Market in Portugal

Concerning the weight evolution of Private Labels, it's clear that food is the most important category, having an increase of 11,7% from 2009 (30,4%) to 2020 (42,1%), as seen in Figure 3.9.

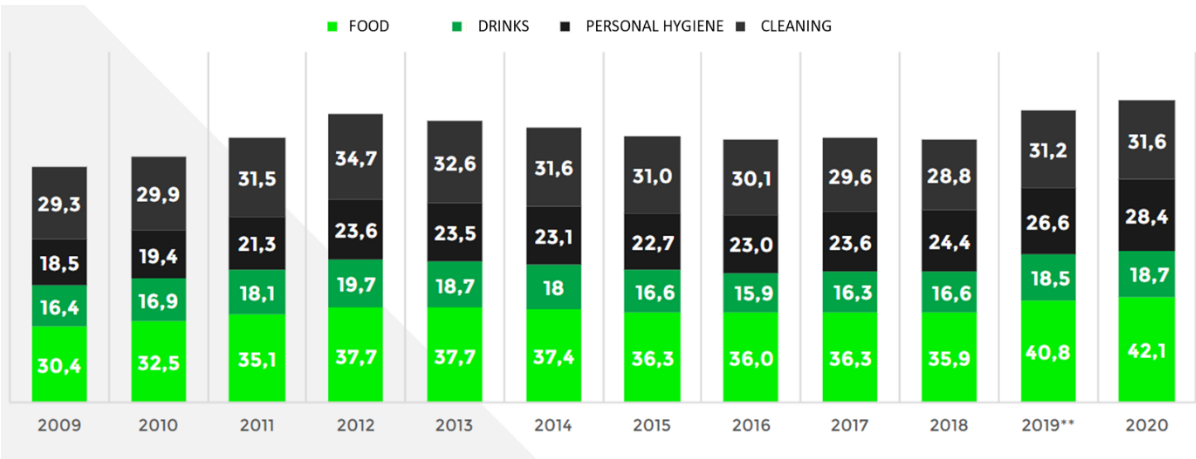

Figure 3.9 - Weight evolution of Private Labels by category
Source: (Nielsen, 2021)

The 5th highest retailers in Portugal according to the grocery retail market shares in 2017 are:

Continente

Continente was the first hypermarket chain in Portugal, starting the business in 1985 when they first opened a hypermarket store. Nowadays they have the highest market share in the grocery retail industry as shown before (Continente, 2022). Continente is owned by SONAE, which is a large multinational company, having an vast portfolio of businesses in retail, technology, financial services, etc. (SONAE, 2022).

Continente's PLs represent 750 million Euros in 2021, in the grocery market, having an increase of more than 20% in the last 2 years (more than 125 million Euros). 99,26% of their customers have bought Continente's PL products (Sonae MC, 2022).

Regarding their PL Strategy, they follow the Multi-tier PL strategy, having 5 PL brands on their grocery portfolio, all using the Continente name. The Continente brand is their low-cost option, with a very large range of products. Continente Equilíbrio is the medium-tier brand that lies in the balance of quality, price, and healthy products. Continente Bio focuses on biological products, with the best environmental practices. Continente Eco targets the customer segment of sustainability, and finally, Continente Seleção is their premium tier brand with high-quality products at a higher price (Continente, 2021), as seen in Figure 3.10.

Figure 3.10 - Continente PL Brands
Source: (Continente, 2021)

Pingo Doce

Pingo Doce is a supermarket and hypermarket retail chain, founded in 1980, having nowadays the second highest market share (Pingo Doce, 2022). They are owned by Jerónimo Martins, which is a Portuguese group that focuses on food distribution and retail, with more than 230 years of experience. They were ranked the 50th biggest retail group in the world by Deloitte, on their "Global Powers of Retailing 2020" (Jornal Económico, 2020).

Pingo Doce chooses to only have one PL brand and uses the retailer's name, Pingo Doce. In 2016, they had more than 1800 PL products in their stores, and it represented 34,5% of their sales in the first semester (Pingo Doce, 2016).

Auchan

Auchan is a French group present in the distribution retail sector, present in 13 countries. Its first supermarket store opened in 1970 in Portugal, and nowadays has 31 hypermarkets in Portugal (Auchan, 2022b), having the third highest market share.

In 2022, Auchan rebranded its PL brands using the multi-tier PL strategy and choose to use the Auchan name. Auchan Essencial is the economic brand for low price products at reasonable quality. Auchan brand is for more specific needs, like biological, gluten-free, ecological, etc. Lastly, their premium brand is Auchan Gourmet, for the highest quality products (Auchan, 2022a), seen in Figure 3.11.

Figure 3.11 - Auchan PL Brands
Source: (Auchan, 2022a)

Lidl

Lidl is a German multinational retailer group that was established in Portugal in 1995. Today, they have more than 260 stores, and 8200 employees (Lidl, 2021), and in 2017 had the 4th highest market share.

For their PL strategy, Lidl is incredibly different from the other retailers in Portugal. They have more than 140 different PL brands, all with different names, not choosing to use Lidl's name in any of them. The more know brands are Fumadinho, for charcuterie products, Milbona for yoghurts, Ocean Sea for fish, Chef Select for premade meals, etc. (Lidl, 2022).

Intermarché

Intermarché is a French retail brand part of the Les Mousquetaires group, with more than 29 years of presence in Portugal. They have more than 255 stores all over Portugal (Intermarché, 2022b), having the 5th highest market share.

PorSi is an Intermarché PL brand, that doesn't use the retailer's name, and focuses on the multi-tier PL strategy. PorSi Viva Bem are healthier products, PorSi Bio is for sustainable and biological products, and PorSi Select is the premium brand for high-quality products at higher prices (Intermarché, 2022a).

4. CONCEPTUAL MODEL AND RESEARCH HYPOTHESIS

The main focus of this study is to understand what strategies or elements are most important to increase the consumer perception of quality, in grocery retail. Consequently, the dependent variable can be identified as being the consumer perception of quality. Regarding the independent variables, based on the literature review, they can be defined as product quality, price, packaging, communication, innovation, multi-tier private labels, and not using the retailer's name on private labels.

Thus, the conceptual model below (Figure 4.1) was developed, to study whether these seven independent variables positively impact the consumer perception of quality.

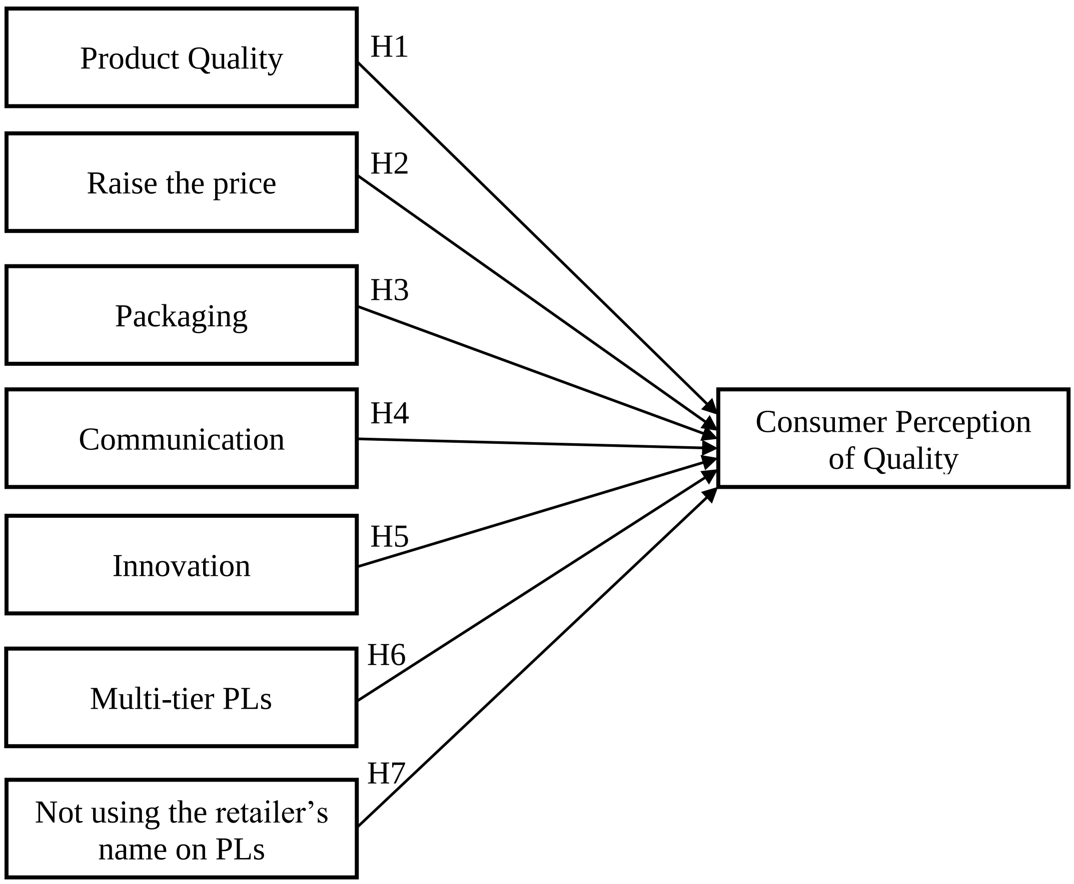

Figure 4.1 - Conceptual Model
Source: Author's elaboration (2022)

According to the conceptual model, the following research hypothesis were made:

H1: Product Quality positively impacts consumer perception of quality

H2: Raise the price positively impacts consumer perception of quality

H3: Packaging positively impacts consumer perception of quality

H4: Communication positively impacts consumer perception of quality

H5: Innovation positively impacts consumer perception of quality

H6: Multi-tier private labels positively impacts consumer perception of quality

H7: Not using the retailer's name on private labels positively impacts consumer perception of quality

5. METHODOLOGY

Based on the literature review and the contextualization of the food retail market in Portugal, it is important to establish which type of methodology approach is the most relevant, in order to find the conclusions that the current market needs for future advances. With this in mind, both the qualitative and quantitative approaches were chosen, to get the most complete and diverse data possible.

5.1. Qualitative Methodology

For the qualitative approach, it was conducted 5 structured interviews with individuals that work every day in grocery retail, and more specifically, on Private Labels, in the marketing departments of some of the top retailers in Portugal. Continente, Pingo Doce, Auchan, and Aldi. The selection and contact of the interviewees were made through the platform LinkedIn, by researching people that worked on PLs in different retailers in Portugal, and also through contacts of this study's advisor. After the contact was done, a Zoom meeting was scheduled with each voluntary, due to the Covid-19 Pandemic, which transformed the norm of meetings and interviews from in-person to online. All 5 interviews were recorded, with the a priori approval of the interviewees and subsequently transcribed – Annex A.

All interviews followed a plan with 11 pre-formatted questions with open answers, to understand the difference in philosophies and strategies, of the top operating retailers. The main objectives were:

- To understand the importance that retailers give to PLs, and what's the current perception of quality that their consumers have towards their PLs;
- To gather strategies used to increase the PLs in general, and also to increase the perception of quality;
- To find out strategies for a new upcoming player in the retailer sector in Portugal, to increase their PLs;
- Discover what aspects or characteristics are more important to increase, in order to improve the consumer's perception of quality;
- Understand what are the future prospects of the retail market, and the PL market in Portugal.

All interviews were done during the month of February 2022.

5.2. Quantitative Methodology

The quantitative methodology, and more specifically, the use of an online survey was chosen since it's the best option to get a large diverse number of responses in a short period of time, being an optimal source to reach more individuals. But it's important to take into consideration that this method depends on the motivation, openness and availability of the respondents (Almeida et al., 2017).

The survey was made using google forms and had the objective of analyzing the consumer habits of Portuguese families, on their grocery purchases, as well as their opinion on Private Label brands, products, and strategies.

The questionnaire was aimed at anyone that goes shopping for groceries in supermarkets or hypermarkets or has others do their shopping for them, in Portugal, and currently lives or has lived in the past in the country. The data collection was made during the month of May 2022 and was distributed using social media such as WhatsApp, Instagram, and LinkedIn.

For the data analysis, the software Microsoft Power BI was used to develop the tables and graphs needed to get a comprehensive and thorough analysis of the survey, and this study.

5.2.1. Population

The population of the study will be represented by those who go grocery shopping in supermarkets or hypermarkets, or those who have others do their shopping for them. There is no age or nationality limit, but the study is done on people that live or have lived in Portugal at some point in their lives.

5.2.2. Sample

Due to the large number of people in the population, it is not possible to collect the necessary data in time. Therefore, a convenience sampling method was selected. This method ensures that the entire population has an equal chance to participate (Almeida et al., 2017).

Although the method is beneficial and facilitates the collection of data, it should not be used to study the entire population as it may not be totally representative of the characteristics of the people living, or that have lived in Portugal.

The sample dimension was 204 answers.

5.2.3. Survey

With all the information above in mind, the survey is divided into 4 groups:

- Consumer Habits – To understand the shopping routines of different consumers and their families, in general, independent of PLs or NBs. For example, who does the shopping in their house? How regularly? Online or offline?
- Private Labels – Has the objective of knowing the opinion of the consumers on PLs, if they buy them, why do they buy or not buy, what’s their favorite PL retailer, and why;

- Quality perception of PLs – The most important group, to know if they think that PLs have lower quality than NBs, what are the most important criteria that retailers need to improve, to increase their quality perception, using a scale from 1 (not important) to 6 (very important). if retailers should use their name on PLs;
- Personal data – Information of the respondents. Age, gender, residency, monthly income, and academic qualifications.

The questions will be connected between all the different groups to get a precise and complete analysis of the responses. The full survey can be seen in Annex B.

6. DATA ANALYSIS

6.1. Qualitative Study

The qualitative study was selected with the objective of obtaining a professional perception by individuals who work day to day on the subject of this investigation. Thus, the Marketing departments of Sonae, Jerónimo Martins, Auchan, and Aldi, in Portugal, were interviewed. In Annex A it's possible to see the five different interviews in full. Said this, an analysis of the different interviews will follow.

Sample:

- Area Manager | Fresh food supply chain at SONAE
- Product Development & Category Manager | Private Label at SONAE
- Packaging & Private Label | Jerónimo Martins
- Category Manager Director | ALDI
- Private Label Director | Auchan

1. What's the importance that you give to Private Labels, for your company?

Now, more than ever, PLs have huge importance for every retailer. The Covid-19 pandemic came to reinforce this importance. The Portuguese consumers had to change the way they bought and the items, due to the decline of their purchase power. Moreover, the lockdown gave more time for consumers to research different brands, and with this, PLs had a very positive year. With the recent inflation, the prices of the products are increasing, giving more opportunities for the PLs to grow even more. The National Brands have a higher inflation rate than the PL Brands, making the price gap between these two, greater (Sonae).

PLs are a differential factor since you can´t buy the PL brand products in other retail stores. They have become a driver for retailers to gather customers into their stores.

The companies that have the best price-quality relationship in their PLs are the ones that end up targeting more consumers in their stores (Jerónimo Martins).

Aldi being a discounter, have more than 95% of the assortment, as PLs. The objective is always to have a PL with great quality at the best possible price. The PLs are the strategic project of Auchan. It's the most important project since it's the main strategy.

2. **What is the perception of quality that consumers have regarding your own Private Label brands?**

This perception of quality has been increasing in the last years and comparing to the other competitors, Sonae's PLs have a better quality, based on the growth of their sales. One sign of this trend is the fact that the sales growth of the PLs exceeds the transfer of sales from NBs. It's important to communicate in a clearer way to the clients, the exhaustive and strict quality processes. For a product to become part of the Continente Seleção brand, it has to pass different quality tests, while to become a Continente brand product, it has to pass fewer tests. If Continente is launching a product that already exists on the market, they will test their product against that existing product, and they will only go through with the launch if their product is similar or better, never worse. But this is very difficult to communicate to the consumers.

Sonae not only performs quality tests on the launch of new products but also from time to time after the release to guarantee that the quality is still the same. If this test fails, the product has to be changed or discontinued.

Through all the communication and packaging, Jerónimo Martins (JM) transmits a sense of quality for the PL brands. JM strategy for the PLs is equal for Pingo Doce and Amanhecer, and it's a certified process where the suppliers are audited, and the raw materials for every product are tracked. All this process is communicated to the clients, and they are starting to recognize this quality.

The quality of the PLs is extremely important for Aldi. They sometimes choose to have a product that has a higher price, to guarantee a certain quality in order to incentivize the second purchase. The objective is for the customer to come back. The feedback that Aldi has from the customers is that the quality is recognized by them. Aldi received, not long ago, a series of accreditations to award the good quality of their PL brand Gut Bio. They also receive accreditations from DECO.

Through surveys made by Auchan, they can gather that the perceived quality is quite high. The power of communication is important for this. They monitor this quality thoroughly, for every product, and have places where customers can comment on the quality or even complain. Auchan is planning on developing more of these systems where the customer can evaluate the products online. They also have recurring quality tests done on their products.

3. **What strategies your company uses or is aware of, to increase Private Labels in general?**

The reinforcement of quality in their products, the fierce rebranding of the Continente brand, to make the brand cleaner, and the removal of some first entry and more economical products, more associated with the brand "É", that gave a bad reputation for the rest of Continente brands, due to having products with low quality. There was also a large investment in marketing campaigns.

Exclusively PL fairs that happen across the year, innumerous leaflets, and every PL brand has its own space on the fair and leaflet, to educate the customers about each brand.

On the stores, Sonae is fighting to increase the PL space, which nowadays is on average 15 to 20% of the store space. Have websites and webpages dedicated to each brand. Work with influencers specific to each brand. There are different thematic fairs during the year, and the PL brands gain with them also. TV commercials to communicate the various PL brands to each customer segment.

JM communicates their PL products in various channels. The great part of the PL product launches have in-store posters, are part of the discount brochures, and have newsletters.

For Auchan, everything is built around the strategy of PLs, but they assemble their PL strategy, the same as an NB. The work is the same, but with different levels of investment. The products have to have high-quality levels, but at the same time, good prices. The communication made on TV is more institutional and focused on the brand Auchan as a whole, while social media is more personalized and that orients their PLs forward.

4. **What strategies your company uses or is aware of, to increase the perception of quality on Private Labels?**

For Sonae, the best strategy was the removal of a lot of products from the brand “É”. This brand, having products with low quality at a very cheap price, dilapidated the perception of quality that consumers had towards Continente Private Label brands. From the moment that the brand “É” is no longer in question, and there are just the Continente and Continente Seleção brands for example, that are brands associated with quality, helped tremendously to increase the perception of quality that consumers have.

Also, the seal of produced in Portugal is important to communicate, since it gives a sense of quality to the product. The Continente Bio Brand has a nutritionist that gives interviews and participates in events to give credibility to the brand. So, the certification and accreditation of external entities are important to increase this perception of quality. Price is also a factor since if the price of a product is very cheap, the consumer will have a worst perception of quality than if the price is high. Packaging and the image of a product are other factors.

Packaging is a major way for JM to communicate the quality aspects of their products. The use of symbols representing the production methods certifications, sustainability, and recyclable materials.

The marketing campaigns like "Taste of the year", the awards from DECO, and "The best store in Portugal", help to elevate the perceived quality that Portuguese consumers have towards Aldi PLs.

Regarding Auchan, it has almost exclusively to do with communication, focused more on social media, and website. The strategy is not focused on the lowest price, since Portuguese people already associate PLs with low price, but they don't yet associate PLs with very good quality, and that's what Auchan focus on. Every time they develop a product is always compared to a certain quality level, and if it's not on that level, the product is not approved. The same happens to products already on the market, they do routine quality tests, and if they don't pass them, the product is reformulated or removed. The objective is to get the consumer's trust.

5. **What strategies would you recommend to a new retailer to leverage its PL brands?**

They should have a quite strong communication plan for the PL brands so that consumers can learn about the brands. The retailer can use a different name for the brands but has to be a strong name. A solid promotional plan is also recommended for the PL brands. Also, they should create their own path and not copy what the other retailers are doing. Create tendencies and innovate. Have PL brands that the customer doesn’t know that it is a PL brand, without telling him it. Have a solid online platform with educative content to explain what their products and brands are (Sonae).

Understand the consumer habits of the Portuguese people, find the market tendencies, comprehend which categories are growing, and types of products that have more demand, and become an innovator of PLs. Position themselves on products that other retailers don´t have PLs yet (Jerónimo Martins).

Quality is the most important attribute. Of course, price is also relevant, but the quality has to be the main objective. Quality is the only reason that makes the customer come back to the store (Aldi and Auchan).

6. **Which aspects or characteristics of the Private Labels do you consider most relevant to enhance, in order to increase the consumers' perception of quality?**

Every retailer defined three important aspects. Quality, Packaging and Communication.
The quality has to be guaranteed, the ingredients, if the product is sustainable, if it’s produced in Portugal. In the end, the base of all this is the price (Aldi).

Packaging is one of the most important, at different levels. The format of the package, the design, and the communication and education that the package has for the consumers (Sonae). Mirror what are the added values of the products (certifications, sustainability). Show the nutritional factors are also important, like reduced sugar levels, no gluten, and without lactose (JM). Before the client buys a product, they have to choose it, so there's important work to do in the presentation and the materials used in the package due to the environmental concerns. Try to eliminate plastic or use 100% recyclable plastic (Auchan).

A retailer shouldn't have thousands of PLs in their assortment, they should focus on 3,4,5 PLs, where the customer knows that the PLs belong to a certain retailer (Aldi).

7. **What do you consider more important for your Private Labels, quality or price?**

For Sonae and JM, it's a combination of the two. The price has to be aligned with the competitors or lower. If the competitor lowers the price, Sonae has to lower it also. For quality, Sonae is very rigorous with its quality tests. They do sensory and performance tests. The sensory tests have around 60 consumers and take around 3 months.

For Auchan and Aldi, it's without a doubt the quality. Auchan position themselves on certain quality levels, and the price is a consequence, that comes after. Auchan is the retailer with more PL products in Portugal, with 10.000. For the food sector, they have 4.500 PL products. Just one product that has a problem, will affect the whole brand.

8. **What is your opinion about the strategy of multi-tier Private Labels to increase the quality perception?**

Every retailer agrees that it's important to have different PL brands to show the difference in positioning for the customer. But, these PLs should always have the main retailer brand on top and not disassociate from it, since it brings confidence and credibility. Also, it has to be a massive work and investment to communicate each brand and differentiate them (Sonae).

9. **What is your opinion about not using the retailer's name on Private Labels?**

Sonae and JM think that a retailer should use their name on the PL brands. In an initial phase, the use of the retailer's name can be connected to a lower quality perception of the consumers, but it's only in an initial phase. After the clients start to try the products and see the quality, the retailers' name tends to gain awareness in general (JM). The use or non-use of the retailer's name is always a double-edged sword. If the retailer uses its name, and a PL brand has a problem with quality, the retailer is directly affected, and the global brand is injured. But if the PL brand is a success, the retailer gains significantly with it. So, the retailers' names should be linked to the PL brands, especially nowadays that the PL products have such good quality (Sonae).

For Aldi, the PLs should be different from the Retailer name and brand. Aldi since it's an international company, they a lot of times use PL brands from different countries, that are already well established in those places, and brings them to Portugal. The objective is to simplify the life of the customer, to shorten the number of PLs, and for the customer to identify easily that the brands are from Aldi and have quality

The use or not use of the retailer's name is not important. The importance is that the customer identifies a certain brand as being a PL brand, and that can be done using the retailer's name or not using it. It's an option that in the end doesn't affect the choice of the customers (Auchan).

10. What are your perspectives for the future of the retail market in Portugal?

The future is the online, e-commerce and digital, especially because of the COVID-19 pandemic, that came to accelerate these trends. Said this, the hypermarket's stores will be always necessary, so that the customers can learn about the products in person since, on the website, there is not as much perception of the products (size, texture, etc.). The stores that will diminish in the future, are the supermarkets (Sonae).

The phenomenon of Food Service accelerated brutally because of the pandemic. Food Service is restaurants inside the stores, takeaway, delivery, and dark stores (warehouses with food products that are used to deliver to clients' houses in a very short time) (Sonae).

The level of consumers that buy products in promotion is extremely high, and it will continue to grow. Auchan wants to tackle this and have a more fixed price instead of always having promotions and discounts since it's not sustainable. With the high number of retailers present in Portugal, there is not enough space for all. There will be eliminations of players or merges. The physical stores need to be turned into more pleasurable places and leisure because going to buy groceries is not a pleasurable activity for most people. Online shopping will be a huge market in the future, and Auchan needs to adapt to this reality. The online store needs to be simpler to use and interactive.

11. What are your perspectives for the future of Private Labels in Portugal?

Because of the economic and social context, the PL brands will continue to grow and have a relevant weight in the sector, taking more market share off the NBs. Since the PL brands end up having a lower price, they will continue to be an answer for the economic problems that Portugal will continue to have due to the pandemic. There has been a major bet of the retailers in PLs, and more investment in communication, image, and packaging (Sonae).

Retailers need to guarantee the quality and price. PL brands need to convey their values, worry about the environmental issues, and sustainability. The dream of every brand is to become a reference brand for a tribe, like Apple. It's a hard challenge, but the brand is constructed in that direction (Auchan).

6.2. Quantitative Study

For the quantitative study, the method of data collection chosen was the online survey, targeting the individuals that do or have someone in their family doing, grocery shopping in Portugal. The data was collected during the month of May 2022 and was distributed using social media such as WhatsApp, Instagram, and LinkedIn. On the points forward, the data will be characterized and analyzed.

Sample: 204 respondents

6.2.1. Sample Characterization

As said previously, the sample for this quantitative study is composed of 204 individuals. Of this, 51% are female and 49% male, which makes for a truly balanced sample regarding gender (Figure 6.1). When it comes to age, individuals between 18-24 years old are predominant with 55,4% of the total sample, followed by the age group of 25-34 (18,6%), and 55-64 (15,7%), as shown in Figure 6.2.

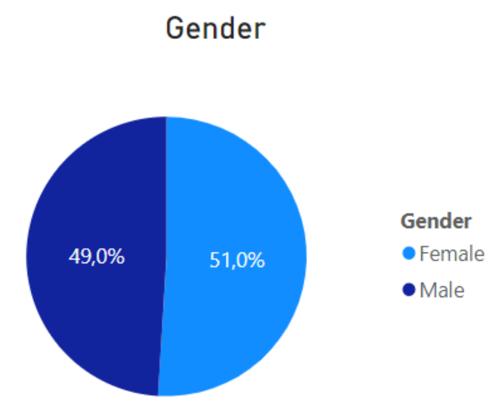

Figure 6.1 - Distribution of the sample by gender
Source: Author's elaboration (2022)

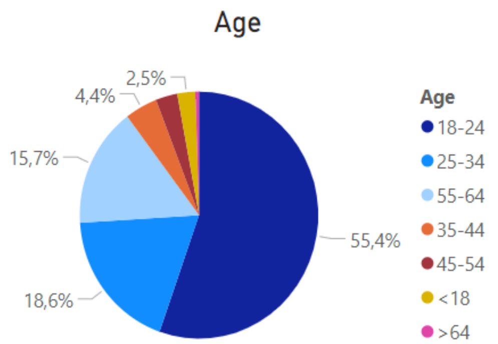

Figure 6.2 - Distribution of the sample by age
Source: Author's elaboration (2022)

Comparing the three most relevant age groups to the variable gender, it's possible to identify that individuals between 18-24 years old are 61% female, while 55-64 are mostly male (91%). The age group 25-34 is balanced with only 53% male (Figure 6.3).

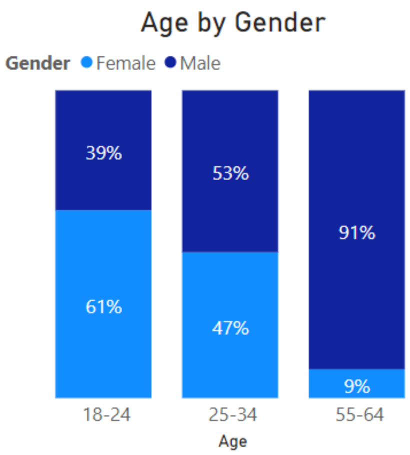

Figure 6.3 - Distribution of the sample by Age comparing to Gender
Source: Author's elaboration (2022)

Furthermore, the great part of the sample has residency in the Lisbon Metropolitan Area with 75,5%, followed by Center (12,3%), as shown in Figure 6.4. For the Monthly household net income, the sample is pretty balanced with more individuals with 1000-1500€ (23,5%), 1500-2000€ (17,6%), and 2000-3000€ (17,6%), seen in Figure 6.5

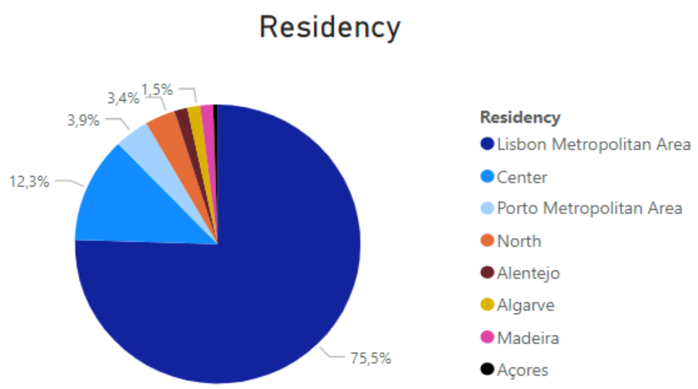

Figure 6.4 - Distribution of the sample by Residency
Source: Author's elaboration (2022)

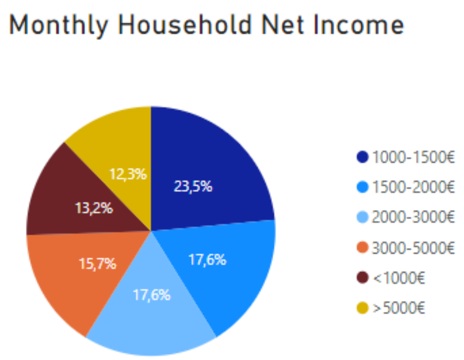

Figure 6.5 - Distribution of the sample by Monthly Household Net Income (€)
Source: Author's elaboration (2022)

Finally, regarding the level of education, most of the sample has a bachelor's as the top education (38,7%), followed by secondary school (33,3%), and masters with 25,5% (Figure 6.6).

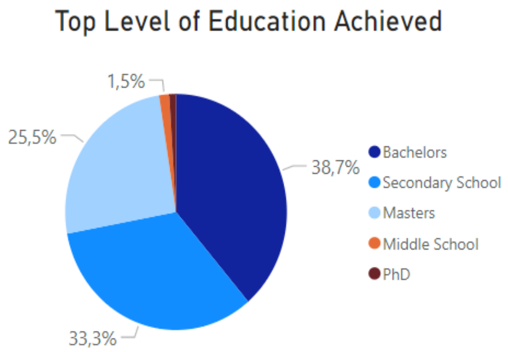

Figure 6.6 - Distribution of the sample by Top Level of Education Achieved
Source: Author's elaboration (2022)

6.2.2. Consumption Habits

According to the respondents of this survey, the majority buys the grocery shopping themselves (37,1%), followed by their mother (29,1%), and father (15,7%). It's important to highlight that for this question, the respondents could choose more than just one option (Figure 6.7).

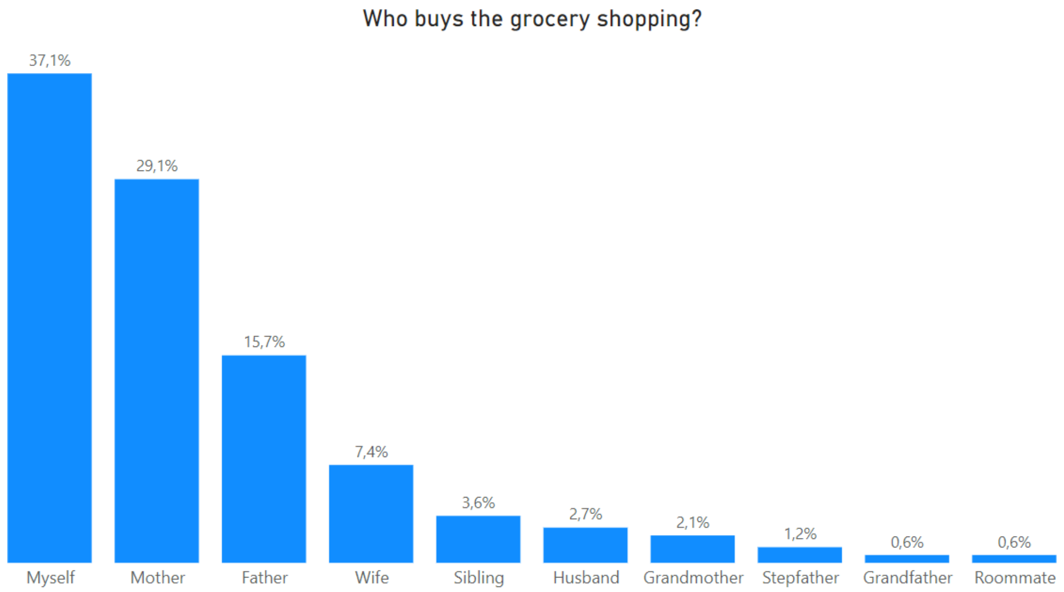

Figure 6.7 - Distribution of the sample by who buys the grocery shopping
Source: Author's elaboration (2022)

Most Portuguese families go grocery shopping once a week (43,1%) or 2 to 3 times a week (27%), making a combined percentage of 70% of the total sample, while only 0,5% of individuals go less than once a month (Figure 6.8). For the shopping manner, there is a clear majority of people that continue to go physically to the stores (offline) with 92,2% (Figure 6.9), even after all the situation of the Covid-19 pandemic, where a lot of consumers during the quarantine switched to online shopping for their groceries.

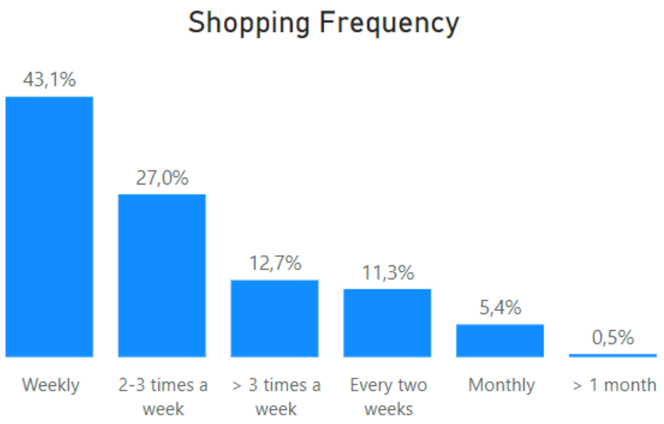

Figure 6.8 - Distribution of the sample by Shopping Frequency
Source: Author's elaboration (2022)

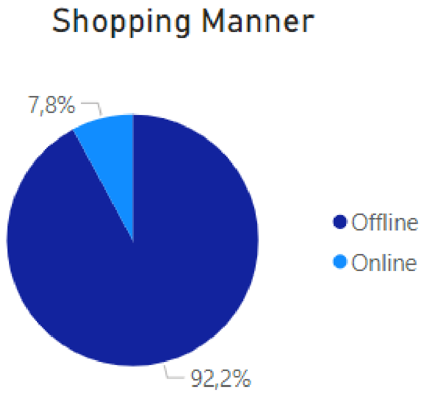

Figure 6.9 - Distribution of the sample by Shopping Manner
Source: Author's elaboration (2022)

Looking at the literature review, the five retailers with the highest market share in Portugal are the same ones as this sample represents. The only difference is the positioning of Lidl, where in this study, it takes third place. Analyzing Figure 6.10, Continente is the clear favorite chain with 42,2% of the responses, followed by Pingo Doce (27,9%), Lidl (11,3%), Auchan (8,8%), and rounding up the top 5, Intermarché with only 3,4%.

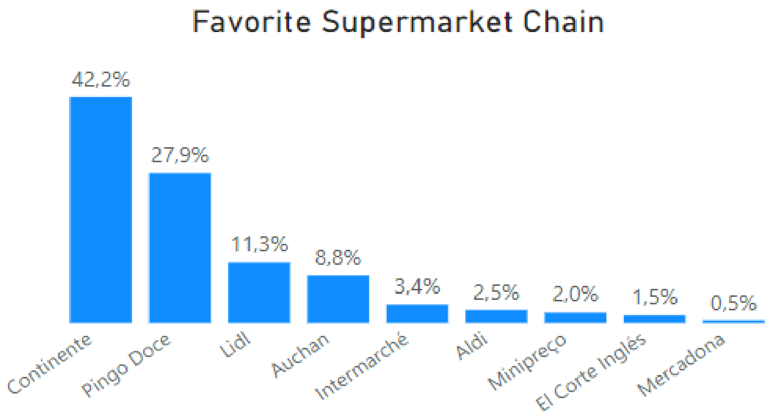

Figure 6.10 - Distribution of the sample by Favorite Supermarket Chain
Source: Author's elaboration (2022)

Combining the three most relevant age groups with the four most relevant favorite supermarket chains of the respondents, it's clear that younger people prefer much more Pingo Doce, with consumers from the ages of 18-24 having a preference of 78%, and Lidl with 68%. On the other hand, older consumers prefer Continente (31% from 25-34 and 17% from 55-64) and Auchan (24% from 25-34 and 18% from 55-64), as shown in Figure 6.11.

When comparing gender to the favorite supermarket chain of the consumers, it can be seen that females tend to prefer Pingo Doce (60%), and Auchan (59%), while males favor Continente (56%). For Lidl, there is a perfect balance between females and males with a 50% split (Figure 6.12).

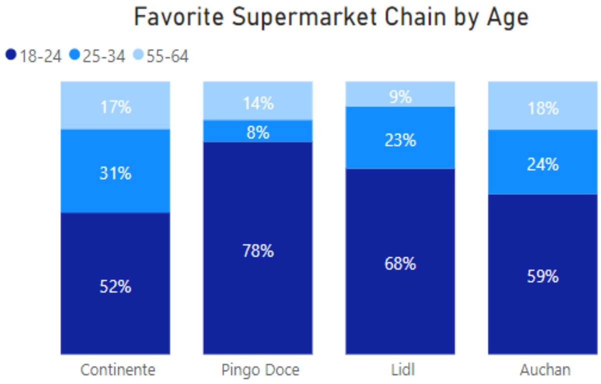

Figure 6.11 - Distribution of the sample by Favorite Supermarket Chain comparing to age
Source: Author's elaboration (2022)

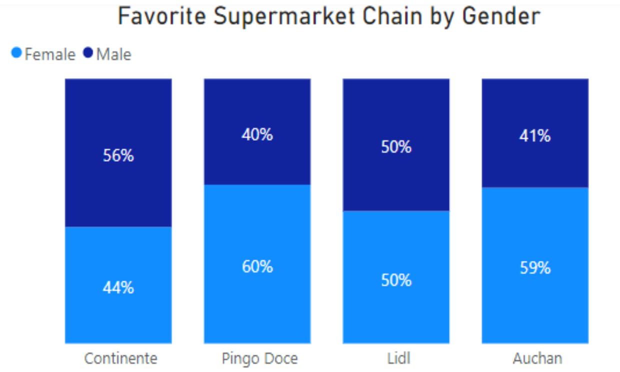

Figure 6.12 - Distribution of the sample by Favorite Supermarket Chain comparing to gender
Source: Author's elaboration (2022)

6.2.3. Private Label Brands

The survey respondents, when asked if they buy Private Label brand grocery products, the clear majority answered yes (93,1%), as seen in Figure 6.13. By comparing the age of the respondents to if they buy PL brands, it's interesting to notice that older people (55-64 years old) tend to buy fewer PL brands (16%) than younger people (3%), looking at Figure 6.14. Another interesting variable to compare with this one is the shopping manner of the respondents. Analyzing Figure 6.15, it's possible to see that people who shop offline tend to buy more PL brands (95%) than the ones who buy online (90%).

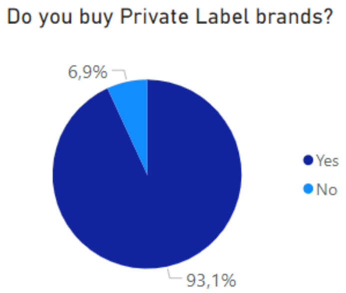

Figure 6.13 - Distribution of the sample by if they buy Private Label Brands
Source: Author's elaboration (2022)

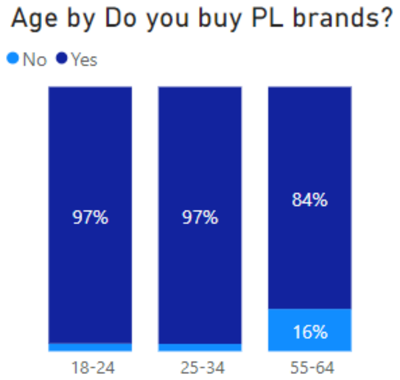

Figure 6.14 - Distribution of the sample by Age comparing to if they buy PLs
Source: Author's elaboration (2022)

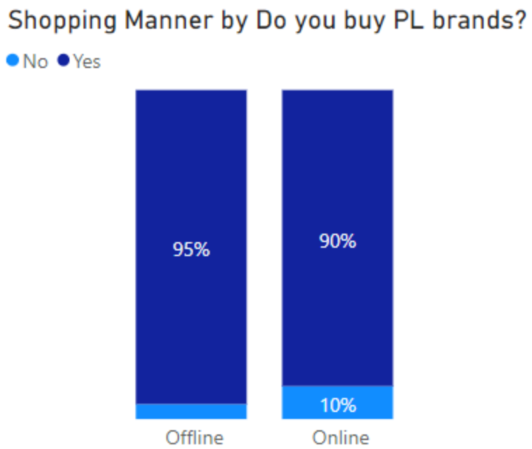

Figure 6.15 - Distribution of the sample by Shopping Manner comparing to if they buy PLs
Source: Author's elaboration (2022)

From the percentage of the respondents that said they buy PL brands, 57,9% of those said that the main reason is the good quality/price relation, 34,2% said the accessible price, and only 7,9% said the reason is the products with good quality (Figure 6.16). Comparing this last variable to the age of the respondents, younger people (18-24) tend to consider more important the accessible price (72%), and the products with good quality (69%) of the PLs, while older people (25-34) consider more important the good quality/price relation (27%), as seen in Figure 6.17.

Figure 6.16 - Distribution of the sample by why they buy PL brands
Source: Author's elaboration (2022)

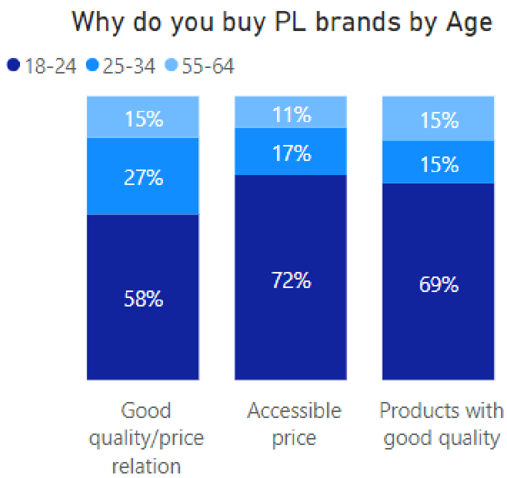

Figure 6.17 - Distribution of the sample by why they buy PL brands comparing to age
Source: Author's elaboration (2022)

The favorite Private Label Supermarket chains by consumers who buy PL brands are without a doubt Continente with 43,7% and Pingo Doce (32,1%), as seen in Figure 6.18. The top 5 chains remain in the same order as the favorite supermarket chains in general.

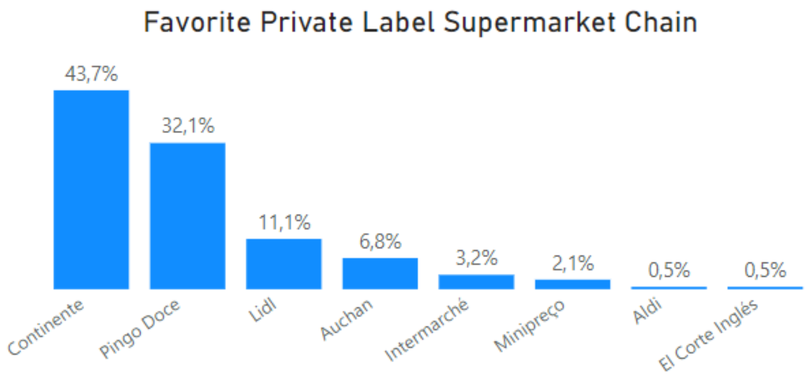

Figure 6.18 - Distribution of the sample Favorite PL chain
Source: Author's elaboration (2022)

When the consumers were asked the main reason for choosing that chain for their PL grocery shopping, more respondents said the accessibility (29.9%), being the supermarket closest to them or with the easiest access. Followed by being of higher quality than the competitors (25,2%), having lower prices than competitors (23,3%), the loyalty card providing them discounts (18,2%), and with the lowest percentage, the communication of the PL and products is done better than competitors with only 3,5% (Figure 6.19).

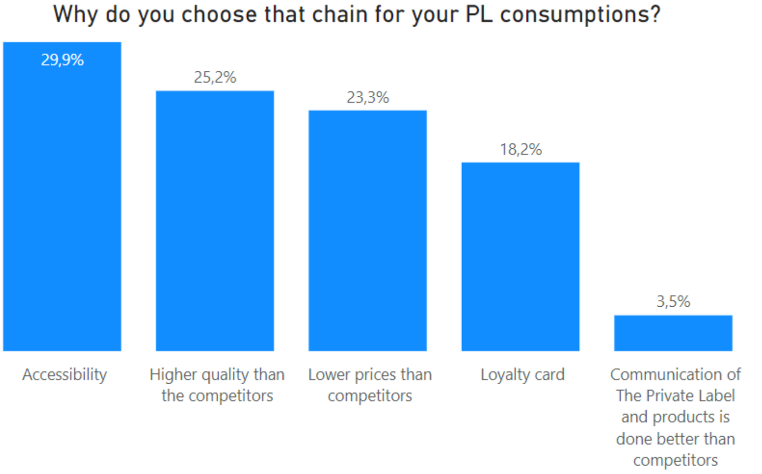

Figure 6.19 - Distribution of the sample by why they choose that chain
Source: Author's elaboration (2022)

When looking at the individuals who don't buy PL brands, which are 6,9% of the sample (Figure 6.13), the main reason they give for not buying is that the price difference does not compensate for lower quality (71,4%), so they think PL products should have lower prices or higher quality. Other reasons are the low quality (14,3%), some never tried them (7,1%), and others only trust renowned brands (7,1%), as seen in Figure 6.20.

Figure 6.20 - Distribution of the sample by why they don't buy PL brands
Source: Author's elaboration (2022)

Respondents, when asked what would make them buy PL products, the main option was if the supermarket chain guaranteed, through quality tests, that the level is equal to or greater than that of renowned brands (50%). This option is already being done by retailers such as Continente, and Auchan, as seen in the qualitative part of this study. Other options chosen by the respondents are if PLs innovated and didn't copy renowned brands (25%), if the communication of PLs were better (10%), if the price of PLs were higher (10%), and lower prices (5%), looking at Figure 6.21.

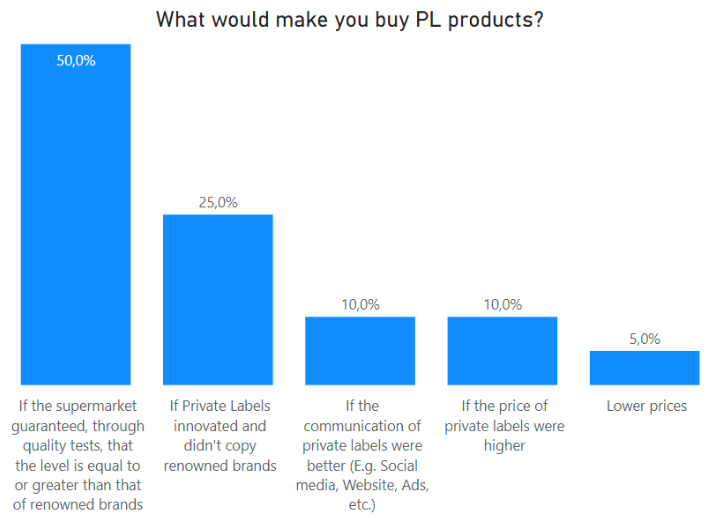

Figure 6.21 - Distribution of the sample by what would make them buy PL products
Source: Author's elaboration (2022

6.2.4. Perception of Quality

Moving on to the perception of quality part of the survey, there is a clear majority of respondents that believe renowned brands have better quality products (85,3%) than Private Label ones (14,7%), as shown in Figure 6.22.

When comparing this last variable with the age of the consumers, it's possible to identify that younger people believe more that PLs have higher quality (18%) than older people (25-34 with 8%, and 55-64 with 12%), as seen in Figure 6.23.

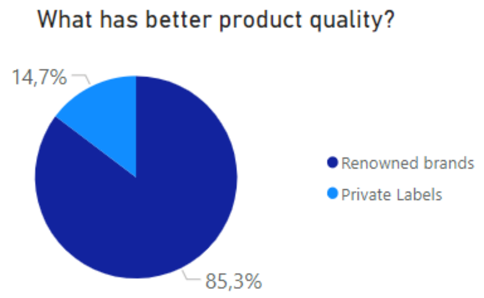

Figure 6.22 - Distribution of the sample by what has better product quality
Source: Author's elaboration (2022)

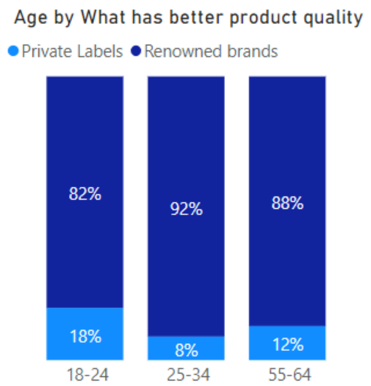

Figure 6.23 - Distribution of the sample by Age comparing to what has better product quality
Source: Author's elaboration (2022)

Another interesting comparison to do is with the favorite chain of the respondents, where there is a clear indication that a lot of Lidl consumers believe that PLs have higher quality (32%) compared with the other chains, where Continente (11%), Auchan (12%), and Pingo Doce (16%) consumers believe less on the quality of the PLs (Figure 6.24).

When comparing the variables of shopping frequency to what has better product quality, it becomes evident that consumers who shop more frequently have less appreciation for the quality of

PL brands. This negative effect of PL brand quality perception is consistent with the frequency of shopping. As we can see, of people who shop more than 3 times a week, only 4% believe PLs have higher product quality than renowned brands, conversely for consumers who only shop monthly, the quality perception of PL brands rises to 22% (Figure 6.25).

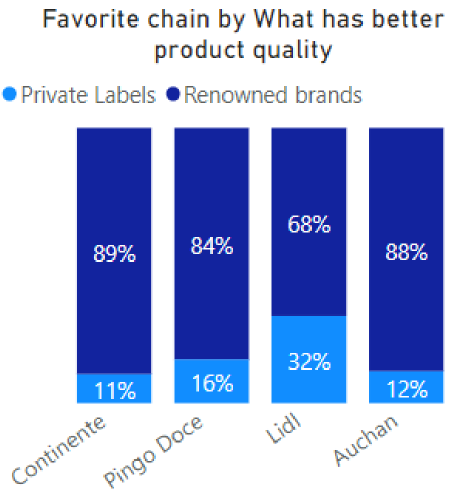

Figure 6.24 - Distribution of the sample by favorite chain comparing to better product quality
Source: Author's elaboration (2022)

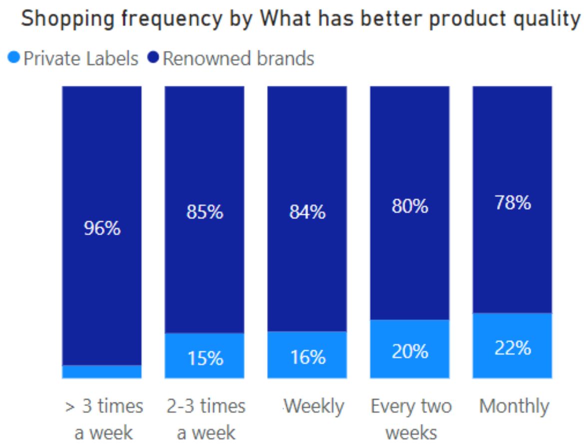

Figure 6.25 - Distribution of the sample by Shopping frequency comparing to better product quality
Source: Author's elaboration (2022

As to if respondents had to choose between two products with the exact same price, which one would they choose, there is again a clear majority to Renowned brand products with 80,9%, and PL products with 19,1% (Figure 6.26). But this percentage is higher than when asked what has better product quality, so some consumers even if they think PLs have lower quality than renowned brands, they will still buy PLs.

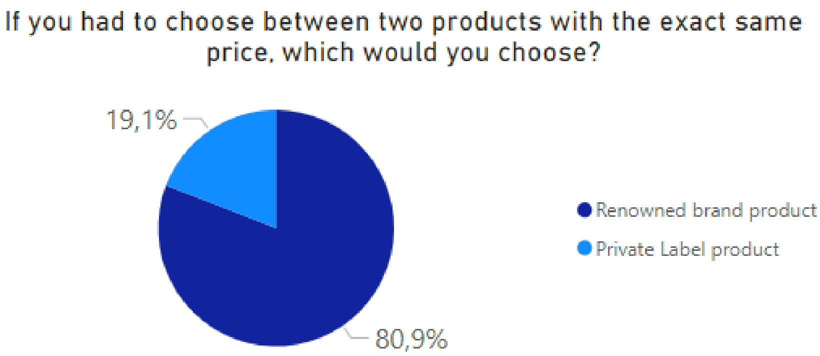

Figure 6.26 - Distribution of the sample by if they had to choose between 2 products with the same price
Source: Author's elaboration (2022)

When asked consumers to rate on a scale of 1 to 6, the criteria that they think are more relevant for a retailer to enhance, to increase consumers' perception of quality of their Private Label brands, where 1 = Not important, 2 = Little important, 3 = Somewhat important, 4 = Important, 5 = Very important, and 6 = Definitely important, the criteria that got the highest votes was the quality of the products (5,21 average), which correlates to the data of the qualitative method of this study, that also shared the same intel. The criteria that follows is innovation with an average of 4,5, improve the communication (3,98), improve the packaging (3,82), have different PL brands for each customer segment (E.g. One Economy, one Standard and one Premium) with 3,75. The two lowest-scored criteria are the not use of the retailer's name on PLs (2,81), and raising the price (2,54), as shown in Figure 6.27.

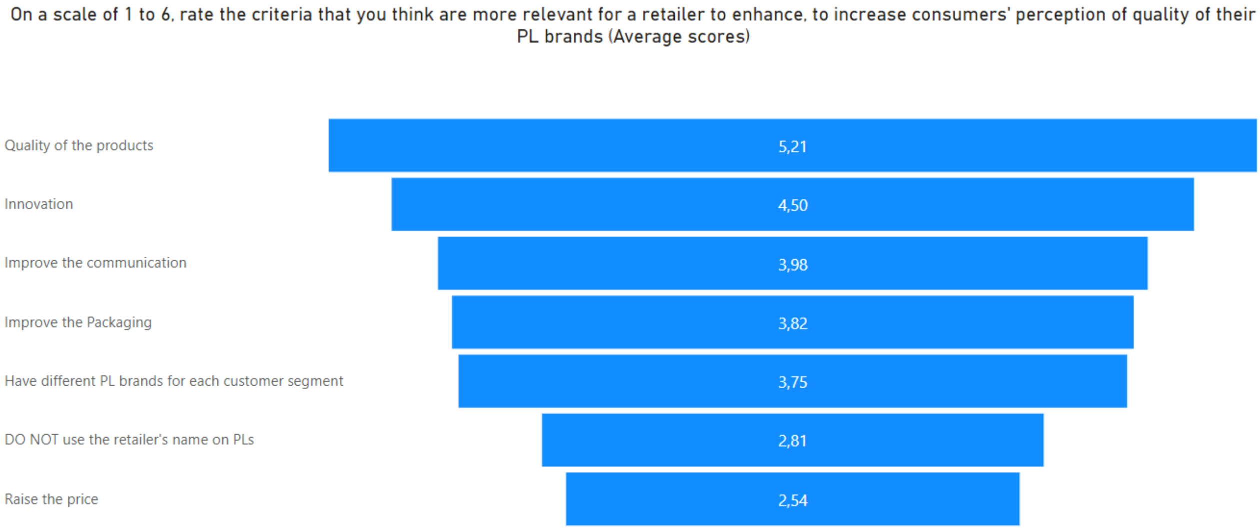

Figure 6.27 - Distribution of the sample by PL strategy ranking
Source: Author's elaboration (2022)

Respondents were asked to choose from the criteria before, which one do they think is MOST relevant for a retailer to enhance, to increase consumers' perception of quality of their PL brands, and the great majority said the quality of the products with a substantial 67,6% of the votes, so this is definitely an extremely important area for retailers to take into account for the present and future. The remaining criteria by order of importance are to have different PL brands for each customer segment (E.g., One Economy, one Standard and one Premium) with 8,8%, innovation (7,8%), improve communication (6,4%), and improve packaging (4,9%). The three criteria that were voted less important are the not use of the retailer's name on PLs (2,5%), raise the price (1%), and finally to use the retailers' name on PLs with only 1%, as seen in Figure 6.28.

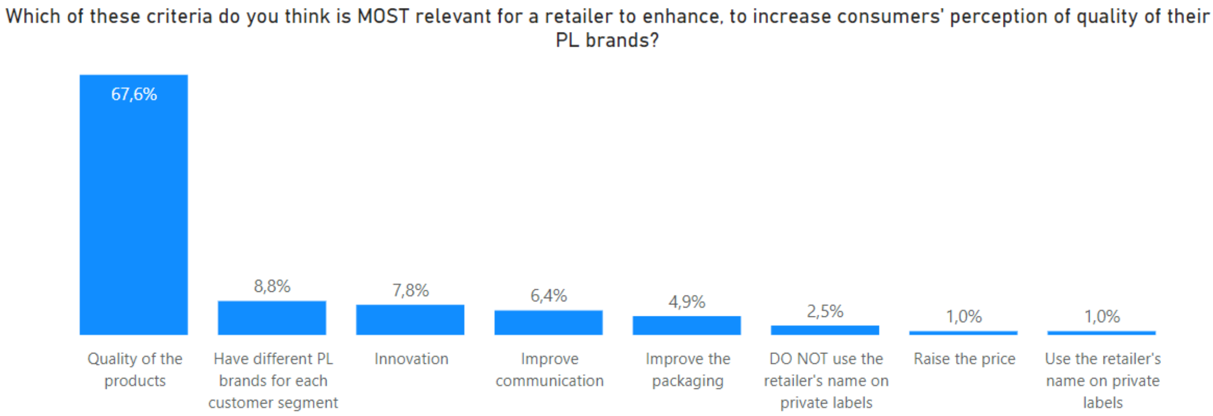

Figure 6.28 - Distribution of the sample by which PL strategy is most relevant
Source: Author's elaboration (2022)

Comparing this last variable of the most relevant criteria with the respondent's favorite supermarket chain is clear that Continente consumers consider important the criteria of having different PL brands for each customer segment (69%), which makes sense because the Continente PL strategy is focused exactly on this, with Continente Seleção, Continente Eco, Continente Bio, Continente Equilíbrio, focusing on different customer segments. For Pingo Doce consumers, they believe is more important the innovation (42%), and packaging with 50& (Figure 6.29), which is corroborated by the qualitative method of this study, especially regarding packaging, where Pingo Doce gives the most importance.

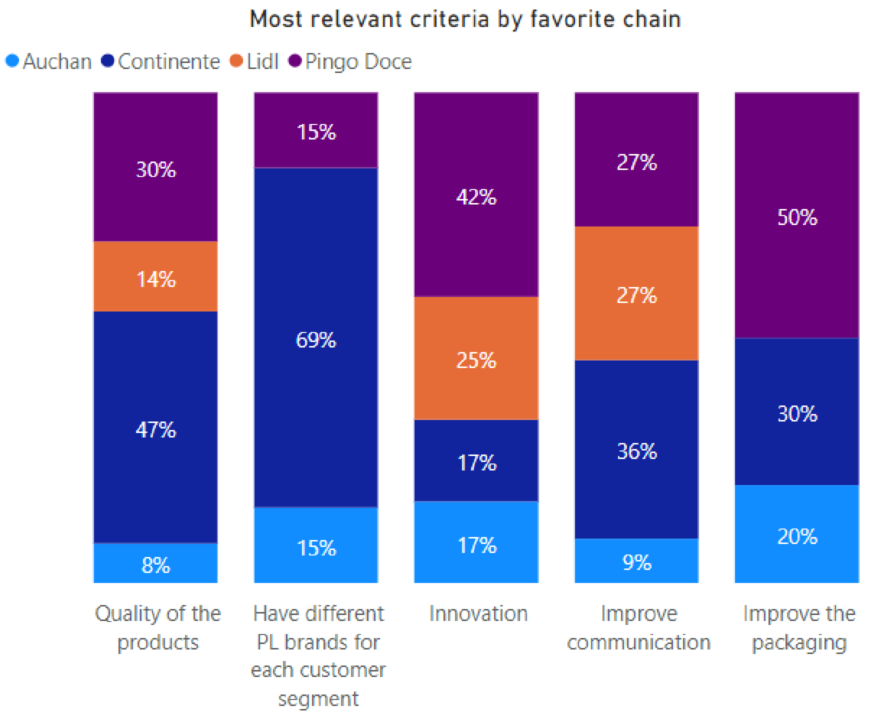

Figure 6.29 - Distribution of the sample by most relevant criteria comparing to favorite chain
Source: Author's elaboration (2022)

Following up with the previous questions, consumers were asked the opposite, to choose the criteria they think is LEAST relevant for a retailer to enhance, to increase consumers' perception of quality of their PL brands, and with no surprises the criteria of raising the price won as least important with 39,2% of the votes. This means that retailers shouldn't use the strategy of raising their PL products prices in order to increase the consumers' perception of quality. After this one, the not use of the retailers' names on PLs (26,5%), the use of the retailers' names on PLs (11,8%), have different PL brands for each customer segment (E.g., One Economy, one Standard and one Premium) with 8,8%, improve communication (4,4%), and improve the packaging (4,4%) followed up. The least voted criteria, and therefore most important for the retailers are the quality of the products (2,9%), and innovation (2%), as seen in Figure 6.30. The apparent inconsistency between Figures 6.28 and 6.30 could be the result of respondents only being able to choose just one criteria, causing some of them to have very few votes. This method forces respondents to make a clear choice of the most positive or negative option. In Figure 6.27, respondents were presented with a ranking of options, which as we have seen, gives less clear-cut and well-separated results.

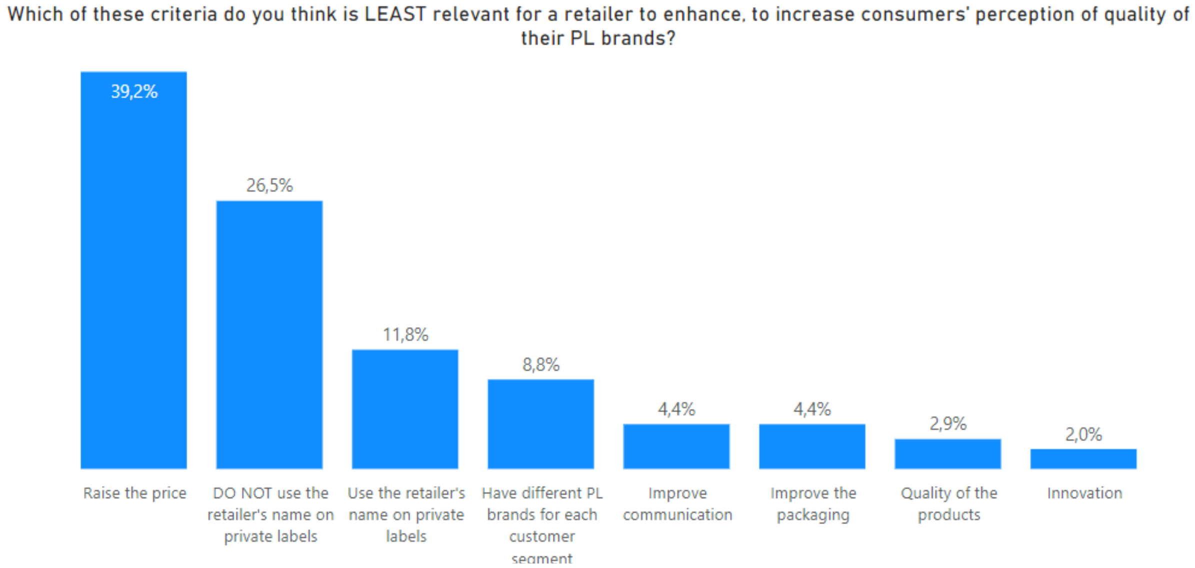

Figure 6.30 - Distribution of the sample by which PL strategy is least relevant
Source: Author's elaboration (2022)

Regarding if respondents think retailers should use their name on Private Label brands, the clear majority answered yes with 84,3%, which makes it clear what consumers want from retailers when it comes to PL brands (Figure 6.31).

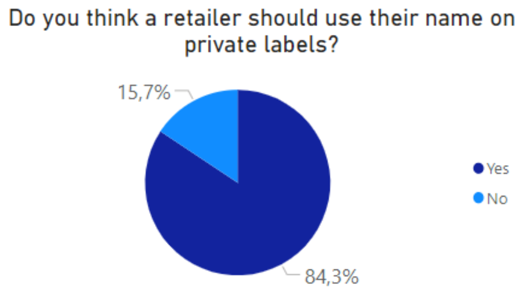

Figure 6.31 - Distribution of the sample by if retailers should use their name on PLs
Source: Author's elaboration (2022)

When comparing this last variable with the gender of the respondents, it's possible to affirm that females believe more that retailers should use their name on PLs (90%), than males (81%), as seen in Figure 6.32.

Another interesting variable comparison to be made is with the favorite supermarket chain of consumers, where Lidl's strategy of not using the retailers' name on PLs is better seen by their consumers with 27%, even though the majority doesn't agree with this strategy (Figure 6.33).

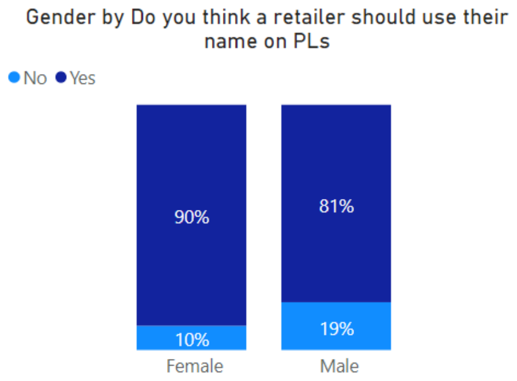

Figure 6.32 - Distribution of the sample by Gender comparing to if retailers should use their names
Source: Author's elaboration (2022)

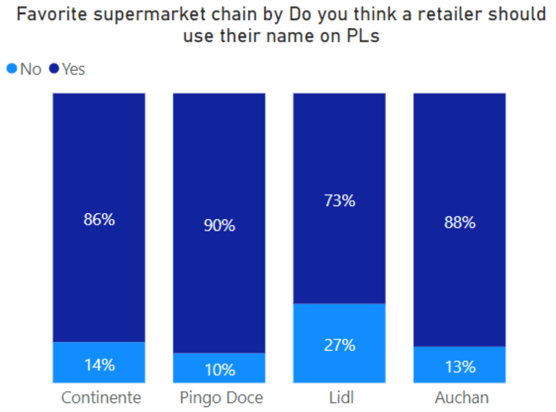

Figure 6.33 - Distribution of the sample by Favorite supermarket chain comparing to if retailers should use their names
Source: Author's elaboration (2022)

The last question of the survey to be analyzed is if respondents think a retailer should have one or more PL brands, and to which customer segment. The top 3 results were pretty close to each other with more votes to having several PLs for each price segment (E.g. One for cheap products, one for medium-priced, and one for premium) with 31,9%, followed by the combination of several PL brands for each product segment and price segment (27,9%), which is what Continente is doing with the brands Continente Seleção for the premium segment, and Continente Eco for the sustainable product segment for example. Very close together is the choice for only having one PL brand for all segments with 27,5%). The least chosen option is to have several PL brands for each product segment (E.g., One for yoghurts, one for biscuits, one for drinks) with only 12,7% of the votes (Figure 6.34).

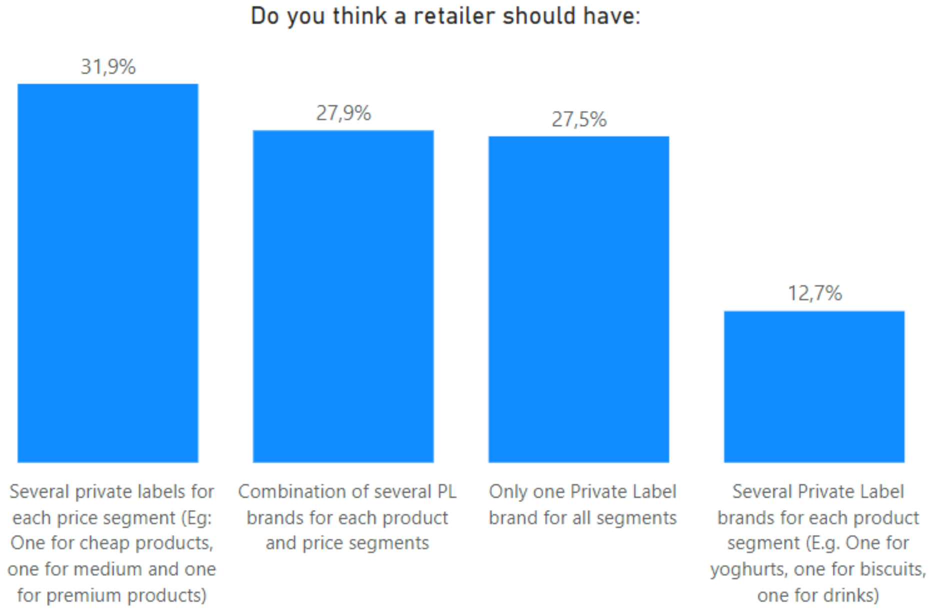

Figure 6.34 - Distribution of the sample by what a retailer should have
Source: Author's elaboration (2022)

An interesting comparison to be made is this last variable with the gender of the respondents where it's clear that males prefer retailers to only have one PL brand for all segments (59%), while females like the separation of PL brands for different segments, being the combination of price and product segments (58%), or just with price segments (55%), as seen in Figure 6.35.

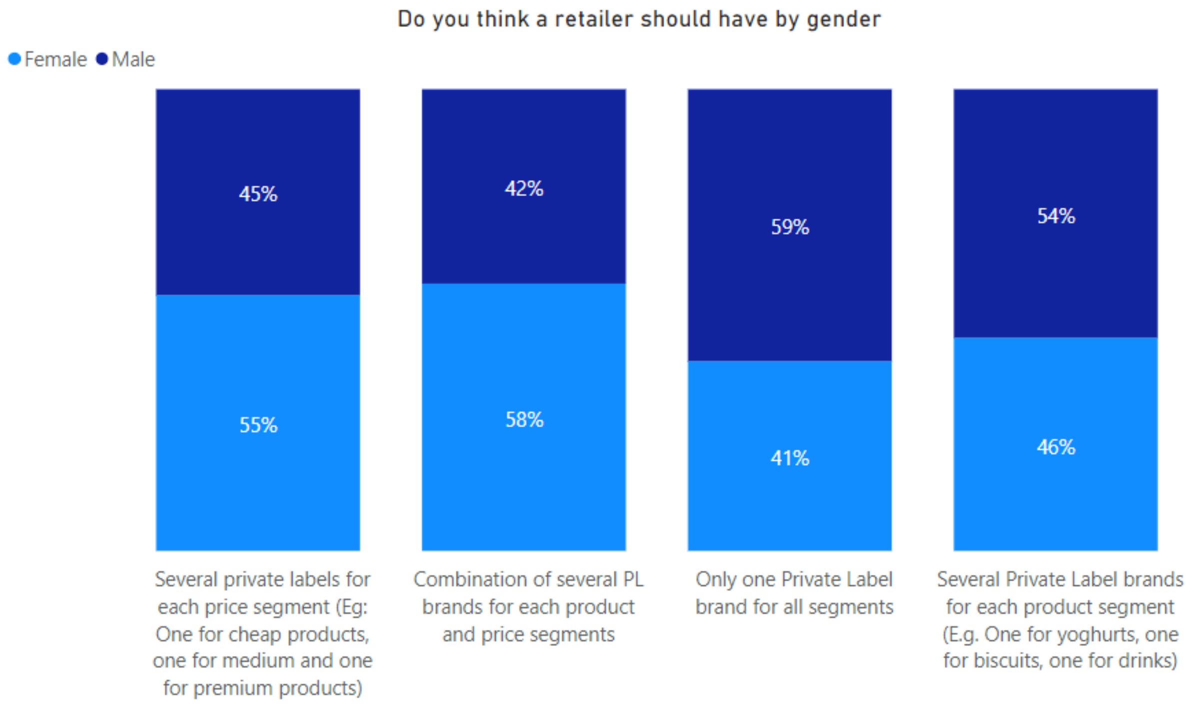

Figure 6.35 - Distribution of the sample by what a retailer should have comparing to gender
Source: Author's elaboration (2022)

6.3. Validity of the research hypothesis

H1: Product Quality positively impacts consumer perception of quality

Looking at the qualitative study, all 5 retail employees said that quality is extremely important for the consumer perception of quality of their PL brands. That's why there are exhaustive and strict quality processes that retailers are following to guarantee this, and different strategies like Continente removing their first entry brand "É" that gave a bad reputation for the rest of their brands, due to having products with low quality, and retailers focusing on more prestigious brands, which are Continente Seleção, Auchan Gourmet, and PorSi Select. This helped tremendously to increase the perception of quality that consumers have.

Regarding the quantitative study, when consumers were asked to rate the criteria on a scale of 1 to 6, the criteria that they think are more relevant for a retailer to enhance, to increase consumers' perception of quality of their Private Label brands, where 1 = Not important, 2 = Little important, 3 = Somewhat important, 4 = Important, 5 = Very important, and 6 = Definitely important, the criteria that got the highest votes was the quality of the products (5,21 average), which is on the range of very important (Figure 6.27). When asked to choose from the criteria before, which one do they think is MOST relevant for a retailer to enhance, to increase consumers' perception of quality of their PL brands, the great majority said the quality of the products with a significant 67,6% of the votes (Figure 6.28). Finally, in the question to choose the criteria consumers think is LEAST relevant, only 2,9% said product quality (Figure 6.30).

So, it is possible to conclude that this hypothesis is validated by both consumers and retail employees, and Product quality positively impacts consumer perception of quality.

H2: Raise the price positively impacts consumer perception of quality

Talking about raising the price, retail employees say that it is connected to the product quality because if the price is high, the product quality usually is high as well, and if the price of a PL product is very low, the consumer will have a worst perception of quality than if the price is high. But just raising the price is not enough because if the quality of the product doesn't increase and if communication and packaging is not done as well, then it will not increase consumers perception of quality.

This last sentence can be confirmed by the quantitative study, as seen on the question where consumers had to rate each criteria from 1 to 6, raising the price got an average of 2,54 (Figure 6.27), which is the lowest score, and is lower than the median (3,5), being on the range of little important. This trend follows for the next two questions, where only 1% of respondents said it is the most relevant criteria (Figure 6.28), being tied as the lowest result, and most respondents said it is the least relevant with 39,2% of the votes (Figure 6.30).

From the data retrieved, it is possible to conclude that this hypothesis is rejected by both consumers and retail employees and raising the price doesn't positively impact consumer perception of quality.

H3: Packaging positively impacts consumer perception of quality

For the packaging, retail employees agree that it is important since it transmits a sense of quality for the PL brands and is a way to communicate the quality aspects of their products. The use of symbols representing the production methods certifications, sustainability, and recyclable materials.

On the survey, improve the packaging is the fourth criteria with the highest rank, with 3,82 average (Figure 6.27), which is higher than the median (3,5), and is almost in the scale of important. It also was voted as the fifth most important criteria with 4,9% (Figure 6.28), and the fifth less important with only 4,4% of the votes which is positive (Figure 6.30).

Based on both studies it is possible to conclude that this hypothesis is validated, and packaging positively impacts consumer perception of quality.

H4: Communication positively impacts consumer perception of quality

Retail employees say that communication is the key to show to costumers that their PL products have quality, which will lead to the increase of perception of quality.

The quantitative study shows the same data as improve communication had an average rank of 3,98 (Figure 6.27), which is the third highest criteria, being above the median (3,5). Also, it was voted as the fourth most important criteria with 6,4% (Figure 6.28), and the fifth less important with only 4,4% of the votes (Figure 6.30).

From both studies it is possible to conclude that this hypothesis is validated, and communication positively impacts consumer perception of quality.

H5: Innovation positively impacts consumer perception of quality

Retail employees say that innovation is very important to increase perception of quality, especially for a new retailer entering the market. They have to create their own path and not copy what the other retailers are doing. Create tendencies and innovate.

The survey correlates with this take by the employees, since innovation is the criteria with the second highest rank with an average of 4,5 out of 6 (Figure 6.27), is the third most important with

7,8% (Figure 6.28), and the less voted least important criteria with only 2% of the votes (Figure 6.30).

It's possible to conclude, based on both studies that this hypothesis is validated, and innovation positively impacts consumer perception of quality.

H6: Multi-tier private labels positively impacts consumer perception of quality

Every retail employee agrees that it's important to have different PL brands to show the difference in positioning for the customer. The respondents of the survey also agree it's important ranking it with an average of 3,75 (Figure 6.27), which is higher than the median, voting it as second most important with 8,8% (Figure 6.28), and fourth least relevant criteria with only 8,8% (Figure 6.30).

It's possible to conclude, based on both studies that this hypothesis is validated, and multi-tier private labels positively impacts consumer perception of quality.

H7: Not using the retailer's name on private labels positively impacts consumer perception of quality

There are mixed opinions on the use or not use of the retailer's name, since it's a doubled edge sword, and it can increase the perception of quality or decrease it. The survey data shows that consumers think it's little important with an average rank of 2,81 (Figure 6.27), which is lower than the median (3,5), voting it as sixth most important with only 2,5% (Figure 6.28), and second least relevant criteria with a total of 26,5% of the votes (Figure 6.30).

It's possible to conclude, based on both studies that this hypothesis is rejected, and not using the retailer's name on private labels doesn't positively impacts consumer perception of quality.

Research Hypothesis	Decision
H1: Product Quality positively impacts consumer perception of quality	Validate
H2: Raise the price positively impacts consumer perception of quality	Reject
H3: Packaging positively impacts consumer perception of quality	Validate
H4: Communication positively impacts consumer perception of quality	Validate
H5: Innovation positively impacts consumer perception of quality	Validate
H6: Multi-tier private labels positively impacts consumer perception of quality	Validate
H7: Not using the retailers name on private labels positively impacts consumer perception of quality	Reject

Figure 6.36 - Research Hypothesis decisions
Source: Author's elaboration (2022)

6.4. Discussion of results

The main goal of this dissertation was to gather information and provide strategies for retailers to increase the perception of quality that consumers have towards their PL brands, and with both quantitative and qualitative methodologies it was possible to do it.

In the interviews, retail employees started by stating that PLs have huge importance nowadays for their companies and for consumers, since they are consuming more PLs each year. This data can be validated by the survey, where 93,1% said they buy PL brands. The consumption of PLs has increased even more because of the COVID-19 pandemic, due to the decline of their purchase power. But the price is not anymore the main driver for a consumer to buy PL brands since companies that have the best price-quality relationship in their PLs are the ones that end up targeting more consumers in their stores (Jerónimo Martins). 57,9% of consumers said that they buy PL brands due to the good quality/price relation while only 34,2% said because of the accessible price.

Talking about the perception of quality, retailers say that it has been increasing significantly in the last years, but still 85,3% of consumers think renowned brands or National Brands have better product quality. Continente states that their PLs have better product quality than the competitors, based on the growth of their sales, and indeed 43,7% of the respondents say Continente is their favorite PL supermarket chain, but 29,9% of the total responses (not only Continente) say its due to the accessibility, and 25,2% to the quality being higher than the competitors. So, the recurrent quality tests that Continente performs are working to maintain and increase the consumers perception of quality.

From all the strategies gathered to increase consumer perception of quality of PL brands, two of them were not validated both by the interviews and survey, which were the increase of price and not using the retailers name on PLs. The rest were. Starting with the one both methodologies agreed it was the most important, product quality. Just the low price is not enough nowadays for consumers to buy PLs. Clients are getting pickier with their choices and want products with quality, ecological, and sustainable. Continente for example decided to remove their cheaper PL brand "É", and only focus on more quality-oriented PL brands. Consumers rated product quality as the most important with an average rating of 5,21 out of 6. Next was innovation with 4,5 out of 6. Retail employees agree that just copying a NB doesn't work, they have to create tendencies, innovate, and position themselves on products that other retailers don´t have PLs yet. Especially for a new retailer trying to compete with the existing ones.

Communication is also very important strategy to increase this perception of quality, with the use of social media, websites, marketing campaigns to show the seal of approval, and quality awards of retailers PLs. The use of external entities like nutritionists to give credibility to the brand for example. Consumers rated communication 3,98 out of 6.

Packaging is also used by retailers as a strategy, especially by Pingo Doce where they communicate the quality aspects of their products in the packaging. The use of symbols representing the production methods certifications, sustainability, and recyclable materials. Respondents rated it with 3,82.

The last validated strategy is to have different PL brands for each customer segment to show the difference in positioning and reach more consumers. 3,75 was the average rating of the respondents.

The strategy of not using the retailers name was rejected due to mixed opinions by the retail employees were some said it was important since it brings more awareness in general to the retailers name (Continente and Pingo Doce), but others like Aldi said the name should be different since they are international, and a lot of times they use PL brands from different countries, that are already well established in those places, and bring them to Portugal. The consumers rated it with 2,81 which is below the median (3).

Lastly, the other strategy that was rejected was to increase the price of PLs, since just raising the price is not enough because if the quality of the product doesn't increase and if communication and packaging is not done as well, then it will not increase consumers perception of quality. The consumers rated it the lowest with only 2,54 out of 6.

7. CONCLUSION

7.1. Theoretical Contributions

The literature review made it possible to understand the importance that Private Labels have nowadays both to retailers and to consumers. While before, PLs initially were introduced as a low-cost option, nowadays is the main strategy and focus of retailers (Rita et al., 2021).

It was also possible to comprehend that there are different strategies to increase not only the PLs in general but also the consumer perception of quality, like having multi-tier PLs to reach different customer segments (Martos-Partal et al., 2015), and this perceived quality is now perfectly comparable to National Brands (Nenycz-Thiel & Romaniuk, 2016).

The present research had the aim to complement the existing studies in the area, trying to contribute and deconstruct the complexity of the subject, collecting knowledge by both Marketing professionals and supermarket consumers. On one hand, the qualitative methodology approach provided information, knowledge, and opinions from the Private Labels departments of the main Portuguese supermarket groups. On the other hand, the data gathered using the quantitative methodology made it possible to obtain opinions of typical grocery shopping consumers. This joint analysis provided key consensus data among the supermarket groups and customers, allowing us to understand the best strategies that retailers should follow in order to increase the consumers perception of quality towards their Private Label brands.

7.2. Managerial Implications

The main objective of this study is to provide retailers with different strategies to increase the consumer perception of quality of their PL brands.

The main strategy agreed by both consumers of supermarkets and retail employees of the main chains in Portugal is to increase the product quality, since quality is the only reason that makes the customer come back to the store, as said by both Aldi and Auchan employees. Retailers sometimes choose to have a product that has a higher price, to guarantee a certain quality in order to incentivize the second purchase. Regular quality tests are a must for retailers to perform regularly, being with new products or existing ones on the market.

Other strategies are to understand the consumer habits of the Portuguese people, find the market tendencies, comprehend which categories are growing, and types of products that have more demand, and become an innovator of PLs. Have very strong communication plans for the PL brands so that consumers can learn about the different brands and understand the quality of them, have good packaging in order to communicate to the clients the quality aspects of the products, like the production methods certifications, sustainability, and recyclable materials. Have different PL brands for each customer segment to show the difference in positioning and reach more consumers.

Only raising the price is not enough because if the quality of the product doesn't increase and if communication and packaging is not done as well, then it will not increase consumers perception of quality. Also, there is not a consensual opinion on whether a retailer should use their name on the PL brands. It depends on retailer to retailer but it's a double-edged sword. If the retailer uses its name, and a PL brand has a problem with quality, the retailer is directly affected, and the global brand is injured. But if the PL brand is a success, the retailer gains significantly with it.

7.3. Limitations and Future Research

This study had some limitations that prevented the analysis from being more detailed.

The Covid-19 pandemic made it so it was not possible to carry out the survey in person since people are still reluctant to interact with strangers and want to get home as fast as possible. The survey could have had a larger and more diverse sample since it only had 204 responses and most of them where from individuals living in Lisbon, and ages between 18-24. This was due to the short collection time and the survey not being carried out in person outside of different supermarkets in Portugal. Another limitation of the survey was the lack of mathematical and statistical analysis to reject or not reject the research hypothesis. Parametric or non-parametric tests could have been used, as well as Spearman's correlation test to check the strength and direction of the monotonic relationship between two variables.

For the qualitative study, there was missing an interview with an employee from Lidl to have an insight from the third retailer with the highest market share in Portugal.

For the future, other markets than the Portuguese may be studied especially in Countries with a different culture and shopping habits.

There is also an opportunity for individual investigations for each strategy suggested in this study in order to get a more detailed guide for retailers to follow and see which strategy fits better their company.

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Annexes

Annex A: Interviews

Script – Interviews:

1. What's the importance that you give to Private Labels, for your company?
2. What is the perception of quality that consumers have regarding your own Private Label brands?
3. What strategies your company uses or is aware of, to increase Private Labels in general?
4. What strategies your company uses or is aware of, to increase the perception of quality on Private Labels?
5. What strategies would you recommend to a new retailer to leverage its PL brands?
6. Which aspects or characteristics of the Private Labels do you consider most relevant to enhance, in order to increase the consumers' perception of quality?
7. What do you consider more important for your Private Labels, quality or price?
8. What is your opinion about the strategy of multi-tier Private Labels to increase the quality perception?
9. What is your opinion about not using the retailer's name on Private Labels?
10. What are your perspectives for the future of the retail market in Portugal?
11. What are your perspectives for the future of Private Labels in Portugal?

Interviews:

Area Manager | Fresh food supply chain at SONAE

1. **What's the importance that you give to Private Labels, for your company?**

Sonae gives a tremendous importance to Private Label Brands and they have a huge weight on the company, especially due to the incredible growth in the last few years. Private Labels have become a driver for Sonae to gather customers into their stores.

2. **What is the perception of quality that consumers have regarding your own Private Label brands?**

This perception of quality has been increasing in the last years and comparing to the other competitors, Sonae's PLs have a better quality, based on the growth of their sales. One sign of this trend is the fact that the sales growth of the Private Label exceeds the transfer of sales from National brands.

3. **What strategies your company uses or is aware of, to increase Private Labels in general?**

The reinforcement of quality in our products, the fierce rebranding of the Continente brand, to make the brand cleaner, and the removal of some first entry and more economical products, more associated with the brand “É”, that gave a bad reputation for the rest of Continente brands, due to having products with low quality. There was also a large investment on marketing campaigns.

4. **What strategies your company uses or is aware of, to increase the perception of quality on Private Labels?**

The best strategy was the removal of a lot of products from the brand “É”. This brand, having products with low quality at a very cheap price, dilapidated the perception of quality that consumers had towards Continente Private Label brands. From the moment that the brand “É” is no longer in question, and there is just the Continente and Continente Seleção brands for example, that are brands associated with quality, helped tremendously the increase of perception of quality that consumers have.

5. **What strategies would you recommend to a new retailer to leverage its PL brands?**

They should have a quite strong communication plan for the Private Label brands, so that consumers can learn about the brands. The retailer can use a different name for the brands but has to be a strong name. A solid promotional plan is also recommended for the Private Label brands.

6. **Which aspects or characteristics of the Private Labels do you consider most relevant to enhance, in order to increase the consumers' perception of quality?**

The intrinsic quality of the products, packaging, and the price-quality ratio.

7. **What do you consider more important for your Private Labels, quality or price?**

Without a doubt, the quality. It has been the main focus of Sonae for years and will continue to be.

8. **What is your opinion about the strategy of multi-tier Private Labels to increase the quality perception?**

This strategy embraces all types of customers, and it makes sense to have this quantity of Private Label Brands, to reach every target. For example, some wine brands that are exclusive to Continente, give a seal of approval to show to the customer that Continente is a specialist in this type of products.

9. **What is your opinion about not using the retailer's name on Private Labels?**

The use or non-use of the retailer’s name is always a double-edged sword. If the retailer uses their name, and a PL brand has a problem with quality, the retailer is directly affected, and the global brand is injured. But if the PL brand is a success, the retailer gains significantly with it. So, Ana Barbosa’s personal opinion is that the retailers name should be linked to the PL brands, especially nowadays that the PL products have such good quality.

10. **What are your perspectives for the future of the retail market in Portugal?**

The future is the online, e-commerce and digital, especially because of the COVID-19 pandemic, that came to accelerate these trends. Said this, the hypermarkets stores will be always necessary, so that the customers can learn about the products in person, since on the website, there is not as much perception of the products (size, texture, etc.). The stores that will diminish in the future, are the supermarkets. On the case of Sonae, are the Modelo supermarkets.

11. **What are your perspectives for the future of Private Labels in Portugal?**

Because of the economic and social context, the PL brands will continue to grow and have a relevant weight on the sector, taking more market share off the NBs. Since the PL brands end up having a lower price, they will continue to be an answer for the economic problems that Portugal will continue to have due to the pandemic.

Product Development & Category Manager | Private Label at SONAE

1. **What's the importance that you give to Private Labels, for your company?**

Private labels have now, more than ever, a huge importance for Sonae. The Covid-19 pandemic came to reinforce this importance. The Portuguese consumers had to change the way they bought and the items, due to the decline of their purchase power. Moreover, the lockdown gave more time for consumers to research different brands, and with this, Private Labels had a very positive year. With the recent inflation, the prices of the products are increasing, giving more opportunity for the Private Labels to grow even more. The National Brands have a higher inflation rate than the Private Label Brands, making the price gap between these two, greater.

Three years ago, Sonae only had one Private Label, Continente, and now has a huge selection of brands, each one focused on a particular costumer segment, showing the enormous investment that Sonae is making on growing their PLs.

2. **What is the perception of quality that consumers have regarding your own Private Label brands?**

It's important to communicate in a clearer way to the clients, the exhaustive and strict quality processes. For a product to become part of the Continente Seleção brand, it has to pass different quality tests, while to become a Continente brand product, it has to pass fewer tests. If Continente is launching a product that already exists on the market, we will test their product against that existing product, and will only go through with the launch, if the product is similar or better, never worse. But this is very difficult to communicate to the consumers.

Sonae not only perform quality tests on the launch of new products, but also from time to time after the release to guarantee that the quality is still the same. If this test fails, the product has to be changed or discontinued.

3. **What strategies your company uses or is aware of, to increase Private Labels in general?**

Exclusively PL fairs that happen across the year, innumerous leaflets, and every PL brand has its own space on the fair and leaflet, to educate the customers about each brand.

On the stores, Sonae is fighting to increase the PL space, which nowadays is on average 15 to 20% of the store space. Have websites and webpages dedicated to each brand. Work with influencers specific to each brand. There are different thematic fairs during the year, and the PL brands gain with them also. TV commercials to communicate the various PL brands to each customer segment.

4. **What strategies your company uses or is aware of, to increase the perception of quality on Private Labels?**

The seal of produced in Portugal is important to communicate, since it gives a sense of quality to the product. The Continente Bio Brand has a nutritionist that gives interviews and participates in events to give credibility to the brand. So, the certification and accreditation of external entities is important to increase this perception of quality. Price is also a factor, since if the price of a product is very cheap, the consumer will have a worst perception of quality than if the price is high. Packaging and the image of a product is another factor.

5. **What strategies would you recommend to a new retailer to leverage its PL brands?**

They should create their own path and not copy what the other retailers are doing. Create tendencies and innovate. Have PL brands that the customer doesn't know that it is a PL brand, without telling him it. Have a solid online platform with educative content to explain what their products and brands are.

6. **Which aspects or characteristics of the Private Labels do you consider most relevant to enhance, in order to increase the consumers' perception of quality?**

Packaging is one of the most important, in different levels. The format of the package, the design, and the communication and education that the package has for the consumers. Price and communication (online, TV, in-store) are the other aspects.

7. **What do you consider more important for your Private Labels, quality or price?**

Both are important at the same level. The price has to be aligned with the competitors or lower. If the competitor lowers the price, Sonae has to lower it also. For the quality, Sonae is very rigorous with their quality tests. We do sensory and performance tests. The sensory tests have around 60 consumers and take around 3 months.

8. **What is your opinion about the strategy of multi-tier Private Labels to increase the quality perception?**

It's important to have different PL brands to show the difference in positioning for the customer. For Continente Seleção, Sonae can do a specific communication plan and reach different customers, at a higher price. For the more sustainable and environmentally friendly customers, they created Continente Eco and Bio. It's important to have all this PL brands under the umbrella Continente, since it brings confidence and credibility. It has to be an enormous work and investment to communicate each brand differentiate them.

9. **What is your opinion about not using the retailer's name on Private Labels?**

If a retailer wants to sell immediately their PL brands to another retailer, they can do it if the name is not associated. Also, the customer can be more inclined to try a product if he doesn't know that it is a PL brand. The communication can be totally different for the different brands, while PL brands that use the retailer's name, can deviate a little but not totally.

On the other hand, is more difficult to pass the perception of quality and credibility to the client.

10. **What are your perspectives for the future of the retail market in Portugal?**

There is a big challenge with the online. The stores have to readapt and maximize the store space. The phenomenon of Food Service accelerated brutally because of the pandemic. Food Service is restaurants inside the stores, take-away, delivery, dark stores (warehouses with food products that are used to deliver to clients houses in very short time).

11. **What are your perspectives for the future of Private Labels in Portugal?**

The prospects are very positive. There has been a major bet of the retailers in PLs, more investment in communication, image, and packaging. With the pandemic, PLs gained more strength. In a crisis and post-crisis, PLs while definitely be more important.

Packaging & Private Label | Jerónimo Martins

1. **What's the importance that you give to Private Labels, for your company?**

PLs are a differential factor since you can´t buy the Pingo Doce or Amanhecer brand products in other retailer stores. The companies that have the best price-quality relationship in their PLs are the ones that end up targeting more consumers to their stores. Nowadays, PLs have a great importance, and with the current crisis and the rise of prices, PLs will grow tremendously.

2. **What is the perception of quality that consumers have regarding your own Private Label brands?**

Through all the communication and packaging, JM transmits a sense of quality for the PL brands. JM strategy for the PLs is equal for Pingo Doce and Amanhecer, and it's a certified process where the suppliers are audited, the raw materials for every product are tracked. All this process is communicated to the clients, and they are starting to recognize this quality.

3. **What strategies your company uses or is aware of, to increase Private Labels in general?**

JM communicates their PL products in the various channels. Great part of the PL product launches have in-store posters, are part of the discount brochures, and have newsletters.

4. **What strategies your company uses or is aware of, to increase the perception of quality on Private Labels?**

Packaging is a major may for JM to communicate the quality aspects of their products. The use of symbols representing the production methods certifications, sustainability, and recyclable materials.

5. **What strategies would you recommend to a new retailer to leverage its PL brands?**

Understand the consumer habits of the Portuguese people, and find the market tendencies, comprehend which categories are growing, types of products that have more demand, and become an innovator of PLs. Position themselves on products that other retailers don´t have PLs yet.

6. **Which aspects or characteristics of the Private Labels do you consider most relevant to enhance, in order to increase the consumers' perception of quality?**

Mirror what are the added values of the products (certifications, sustainability). Show the nutritional factors are also important, like reduced sugar levels, no gluten, and without lactose.

7. **What do you consider more important for your Private Labels, quality or price?**

A combination of the two. Price is already the base of PLs, and most products have a lower price than NBs. JM is offering PL products at a lower price with good quality values.

8. **What is your opinion about the strategy of multi-tier Private Labels to increase the quality perception?**

JM has different packaging for different products. For example, healthy products have a green logo, but we don't create specific brands for each consumer segment.

9. **What is your opinion about not using the retailer's name on Private Labels?**

In an initial phase, the use of the retailer's name can be connected to a lower quality perception of the consumers, but its only on an initial phase. After the clients start to try the products, and see the quality, the retailers name tends to gain awareness in general.

10. **What are your perspectives for the future of the retail market in Portugal?**

We are entering challenging times, because of all the crises. Portugal is creating more products catering to the new diets, and sustainability will be a focus for the retailers.

11. **What are your perspectives for the future of Private Labels in Portugal?**

In most cases, PLs are reactions to what NBs are doing and mimicking their products, but in the future, it's important for retailers to innovate.

Category Manager Director | ALDI

1. **What's the importance that you give to Private Labels, for your company?**

Aldi being a discounter, have more than 95% of the assortment, as PLs. The objective is always to have a PL with great quality at the best possible price.

2. **What is the perception of quality that consumers have regarding your own Private Label brands?**

Quality of the PLs is extremely important for Aldi. We sometimes choose to have a product that has a higher price, to guarantee a certain quality in order to incentivize the second purchase. The objective is for the customer to comeback. The feedback that Aldi has from the customers, is that the quality is recognized by them. Aldi received, not long ago, a serious of accreditations to award the good quality of their PL brand Gut Bio. We also receive accreditations from DECO.

3. **What strategies your company uses or is aware of, to increase Private Labels in general?**

Continue with the good quality, and always have the most competitive price.

4. **What strategies your company uses or is aware of, to increase the perception of quality on Private Labels?**

The marketing campaigns like "Taste of the year", the awards from DECO, "The best store in Portugal", help to elevate the perceived quality that the Portuguese consumers have towards Aldi PLs.

5. **What strategies would you recommend to a new retailer to leverage its PL brands?**

Quality is the most important attribute. Of course, price is also relevant, but quality has to be the main objective. Quality is the only reason that makes the customer come back to the store. Another strategy is to have differentiated products, so that the client only finds that product in my store.

6. **Which aspects or characteristics of the Private Labels do you consider most relevant to enhance, in order to increase the consumers' perception of quality?**

Packaging is an important factor, since for a customer to buy a product, it has to have a good and structured communication. A retailer shouldn't have thousands of PLs in their assortment, they should focus on 3,4,5 PLs, where the customer knows that the PLs belong to a certain retailer. The quality has to be guaranteed, the ingredients, if the product is sustainable, if it's produced in Portugal. In the end, the base of all this is the price.

7. **What do you consider more important for your Private Labels, quality or price?**

Quality without a doubt, but the price is always the base of everything.

8. **What is your opinion about the strategy of multi-tier Private Labels to increase the quality perception?**

The strategy makes sense, since it segments clients. But, this PLs should always have the main retailer brand on top and not disassociate from it. They shouldn't have a lot of PL brands as well.

9. **What is your opinion about not using the retailer's name on Private Labels?**

The PLs should be different from the Retailer name and brand. Aldi since it's an international company, we a lot of times use PL brands from different countries, that are already well established in those places, and bring them to Portugal. The objective is to simplify the life of the customer, to shorten the number of PLs, and for the customer to identify easily that the brands are from Aldi and have quality. If there's a problem with a certain brand, the retailer will be associated with it, but if the PL brand isn't connected to the retailer, that doesn't happen. It's much harder to end a PL brand with the retailer's name than the opposite.

10. **What are your perspectives for the future of the retail market in Portugal?**

There's an inflation, so the prices will go up in price, so PL products will be the first choice for the customers. But the NBs will still continue to prevail since they always have that seal of quality associated. NBs compete with the PLs using discounts, and in the future this discount will be more important. The NBs set a recommendation of discounts, but the last decision is up to the retailer.

11. **What are your perspectives for the future of Private Labels in Portugal?**

With the economic crises, there's an opportunity for the PLs to grow, and a PL with good quality will elevate the sales of the retailer.

Private Label Director | Auchan

1. **What's the importance that you give to Private Labels, for your company?**

The PLs are the strategic project of Auchan. It's the most important project, since it's the main strategy.

2. **What is the perception of quality that consumers have regarding your own Private Label brands?**

Through surveys made by Auchan, we can gather that the perceived quality is quite high. The power of the communication is important for this. We monitor this quality thoroughly, for every product, and have places that customers can comment on the quality or even complain. Auchan is planning on developing more of these systems where the customer can evaluate the products online. We also have recurring quality tests done on their products.

3. **What strategies your company uses or is aware of, to increase Private Labels in general?**

Everything is built around the strategy of PLs, but We assemble our PL strategy, the same as a NB. The work is the same, but with different levels of investment. The products have to have high quality levels, but at the same time, good prices. The communication made on TV is more institutional and focused on the brand Auchan as a whole, while social media is more personalized and that orients their PLs forward.

4. **What strategies your company uses or is aware of, to increase the perception of quality on Private Labels?**

It has almost exclusively to do with communication, focused more on social media, and website. The strategy is not focused on the lowest price, since Portuguese people already associate PLs with low price, but they don’t yet associate PLs with very good quality, and that’s what Auchan focus on. Every time we develop a product, is always compared to a certain quality level, and if it’s not on the level, the product is not approved. The same happens to products already on the market, we do routine quality tests, and if they don’t pass them, the product is reformulated or removed. The objective is to get the consumer’s trust.

5. **What strategies would you recommend to a new retailer to leverage its PL brands?**

They have to have good products at a low price and try to differentiate from other retailers and innovate.

6. **Which aspects or characteristics of the Private Labels do you consider most relevant to enhance, in order to increase the consumers' perception of quality?**

Before the client buys a product, they have to choose it, so there’s an important work to do in the presentation, and the materials used in the package due to the environmental concerns. Try to eliminate plastic, or use 100% recyclable plastic.

7. **What do you consider more important for your Private Labels, quality or price?**

Quality for sure. We position themselves on certain quality levels, and the price is a consequence, comes after. Auchan is the retailer with more PL products in Portugal, with 10.000. For the food sector, we have 4.500 PL products. Just one product that has a problem, will affect the whole brand.

8. **What is your opinion about the strategy of multi-tier Private Labels to increase the quality perception?**

It’s important for Auchan to differentiate their brands according to different segments of customers, since we work on the mass market, which has a lot of consumers. We work with three major placements. First, the clients that only care about the intrinsic characteristics of a product. Auchan for this segment has an entrance brand. Secondly, there’s the clients that want a good quality-price ratio, and here lies most of the PL brands of Auchan. Lastly, there are customers that want products with extremely high quality, which is the brand Auchan Gourmet. We are in the process of rebranding from Auchan Gourmet to Auchan Collection. Auchan also has brands that sell only products with no gluten or no lactose.

9. **What is your opinion about not using the retailer's name on Private Labels?**

The use or not use of the retailer's name is not important. The importance is that the customer identifies a certain brand has being a PL brand, and that can be done using the retailers name or not using. It's an option that in the end doesn't affect the choice of the customers.

10. **What are your perspectives for the future of the retail market in Portugal?**

The level of consumers that buy products in promotion is extremely high, and it will continue to grow. Auchan wants to tackle this and have a more fixed price instead of always having promotions and discounts, since its not sustainable. With the high number of retailers present in Portugal, there is not enough space for all. There will be eliminations of players or merges. The physical stores need to be turned into more pleasurable places and leisure, because going to buy groceries is not a pleasurable activity for most people. Online shopping will be a huge market in the future, and Auchan needs to adapt to this reality. The online store needs to be simpler to use and interactive.

11. **What are your perspectives for the future of Private Labels in Portugal?**

Exactly the same for every brand. Needs to guarantee the quality, and price. PL brands need to convey our values, worry about the environmental issues, and sustainability. The dream of every brand is to become a reference brand for a tribe, like Apple. It's a hard challenge, but the brand is constructed in that direction.

Annex B: Survey

Tese - Fernando Pires

Olá! O meu nome é Fernando Pires e sou finalista do mestrado em marketing no ISCTE-IUL. Estou a desenvolver a minha dissertação sobre "O que as marcas próprias podem fazer, para aumentar a perceção de qualidade dos consumidores, no setor alimentar".

Este questionário tem como objetivo analisar informação relativamente aos hábitos de consumo das famílias portuguesas, bem como a opinião sobre marcas próprias (ou marcas brancas).

Todas as respostas são anónimas por isso peço que responda com a maior sinceridade possível. O questionário tem um tempo aproximado de 5 minutos. Qualquer dúvida é só contactar: fmbpires@gmail.com

Obrigado!
Fernando Pires

Hábitos de Consumo

1. Quem, da sua casa, costuma fazer as compras alimentares no supermercado ou hipermercado? Responda com base no grau de parentesco em relação a si. *

- [ ] Eu próprio
- [ ] Mãe
- [ ] Pai
- [ ] Avõ
- [ ] Avó
- [ ] Empregado(a) Doméstico(a)
- [ ] Irmão/Irmã
- [ ] Marido
- [ ] Esposa
- [ ] Filho(a)
- [ ] Colega de Quarto
- [ ] Outra: ____________________

2. Com que regularidade, essa pessoa costuma fazer as compras *

- ○ > 3 vezes por semana
- ○ 2-3 vezes por semana
- ○ Semanalmente
- ○ De duas em duas semanas
- ○ Mensalmente
- ○ > 1 mês

3. Das seguintes formas, qual a que costuma realizar normalmente as suas compras alimentares *

- ◯ Online (Através do website do retalhista)
- ◯ Offline (Ir fisicamente à loja)

4. Qual a cadeia de supermercado ou hipermercado que prefere fazer as suas compras alimentares *

- ◯ Continente
- ◯ Lidl
- ◯ Pingo Doce
- ◯ Auchan
- ◯ Aldi
- ◯ El Corte Inglés
- ◯ Minipreço
- ◯ Mercadona
- ◯ Intermarché
- ◯ Meu Super
- ◯ Spar
- ◯ Outra: ______

Marcas próprias

As Marcas próprias (ou marcas brancas, como são muitas vezes chamadas), são marcas criadas pelos próprias retalhistas, vendidas exclusivamente nas suas lojas.

Ex:
Continente: Continente Seleção, Continente Equilíbrio, Continente Bio, Continente Eco, "É"
Lidl: Cien, Milbona, Fumadinho, Ocean Sea, Gelatelli, etc.
Auchan: Auchan Gourmet, Cosmia, Qilive, etc.
Aldi: Gut Bio, Moreno, Pleno Sabor, etc.
Minipreço: Dia
Mercadona: Hacendado
Intermarché: PorSi

5. Compra produtos alimentares de marca própria? *

- ◯ Sim
- ◯ Não

Compra produtos de marca própria

6. Qual a razão de comprar produtos alimentares de marca própria? *

- ◯ Preço mais acessível
- ◯ Produtos com boa qualidade
- ◯ Boa relação qualidade/preço
- ◯ Boa relação com a cadeia de supermercados
- ◯ Outra: ______

7. Qual é o supermercado onde costuma comprar mais marcas próprias alimentares? *

- ◯ Continente (Ex: Marca Continente, Continente Seleção, É, etc.
- ◯ Lidl (Ex: Cien, Milbona, Fumadinho, Ocean Sea, Gelatelli, etc.)
- ◯ Pingo Doce (Ex: Marca Pingo Doce)
- ◯ Auchan (Ex: Marca Auchan, Cosmia, Qilive, etc.)
- ◯ Aldi (Ex: Gut Bio, Moreno, Pleno Sabor, etc.)
- ◯ El Corte Inglés (Ex: El Corte Inglés Selection)
- ◯ Minipreço (Ex: Dia)
- ◯ Mercadona (Ex: Hacendado)
- ◯ Intermarché (Ex: Por Si)
- ◯ Outra: ____________________

8. Porque escolhe esse supermercado para as suas compras alimentares de marca própria? (Escolha 1 ou mais opções) *

- ☐ Cartão Fidelização (Tenho mais descontos)
- ☐ Qualidade mais alta que os concorrentes
- ☐ Preços mais baixos que os concorrentes
- ☐ Comunicação da marca própria e dos produtos é melhor feita que os concorrentes
- ☐ Acessibilidade (Ex: É o supermercado mais perto de minha casa)
- ☐ Outra: ____________________

Não compra produtos de marca própria

9. Porque não compra produtos alimentares de marca própria? *

- ◯ Pouca qualidade
- ◯ Nunca experimentei
- ◯ Só confio nas marcas de renome
- ◯ Diferença de preço não compensa a menor qualidade
- ◯ Outra: ____________________

10. O que lhe faria comprar marcas próprias? (Selecione 1 ou mais opções) *

- ☐ Se o supermercado garantisse através de testes de qualidade, que o nível é igual ou maior que as marcas de renome
- ☐ Se a comunicação das marcas próprias fosse melhor (Ex: Redes sociais, Website, Anúncios, etc.)
- ☐ Se as marcas próprias inovassem e não copiassem as marcas de renome
- ☐ Se o preço das marcas próprias fosse maior
- ☐ Se o packaging das marcas próprias fosse melhor
- ☐ Outra: ____________________

Percepção de qualidade

11. Qual, para si, tem produtos com melhor qualidade? *

- ◯ Marcas próprias
- ◯ Marcas de renome

12. Se tivesse a escolher entre dois produtos com exatamente o mesmo preço, qual escolheria? *

- ◯ Produto de Marca Própria
- ◯ Produto de Marca de Renome

13. Numa escala de 1 a 6, classifique os critérios que acha mais relevantes um retalhista potenciar, para aumentar a perceção de qualidade que os consumidores têm das suas marcas próprias? (1 = Nada Importante, 2 = Pouco Importante, 3 = Algo Importante, 4 = Importante, 5 = Bastante Importante, 6 = Muito Importante) *

	1	2	3	4	5	6
Qualidade dos produtos	◯	◯	◯	◯	◯	◯
Aumentar o Preço	◯	◯	◯	◯	◯	◯
Melhorar o Packaging	◯	◯	◯	◯	◯	◯
Melhorar a comunicação (Ex: Redes Sociais, Website, Anúncios, etc.)	◯	◯	◯	◯	◯	◯
Inovação	◯	◯	◯	◯	◯	◯

Ter marcas próprias diferenciadas para cada segmento de cliente (Ex: Uma Económica, uma Standard e uma Premium)	◯	◯	◯	◯	◯	◯
NÃO usar o nome do retalhista nas marcas próprias	◯	◯	◯	◯	◯	◯

14. Qual destes critérios acha que é MAIS relevante um retalhista potenciar, para aumentar a perceção de qualidade que os consumidores têm das suas marcas próprias? *

- ◯ Qualidade dos produtos
- ◯ Aumentar o Preço
- ◯ Melhorar o Packaging
- ◯ Melhorar a comunicação (Ex: Redes Sociais, Website, Anúncios, etc.)
- ◯ Inovação
- ◯ Ter marcas próprias diferenciadas para cada segmento de cliente (Ex: Uma Económica, uma Standard e uma Premium)
- ◯ NÃO usar o nome do retalhista nas marcas próprias
- ◯ Usar o nome do retalhista nas marcas próprias

15. Qual destes critérios acha que é MENOS relevante um retalhista potenciar, para aumentar a perceção de qualidade que os consumidores têm das suas marcas próprias? *

- Qualidade dos produtos
- Aumentar o Preço
- Melhorar o Packaging
- Melhorar a comunicação (Ex: Redes Sociais, Website, Anúncios, etc.)
- Inovação
- Ter marcas próprias diferenciadas para cada segmento de cliente (Ex: Uma Económica, uma Standard e uma Premium)
- NÃO usar o nome do retalhista nas marcas próprias
- Usar o nome do retalhista nas marcas próprias

16. Acha que um retalhista devia ter: *

- Só uma marca própria para todos os segmentos
- Várias marcas próprias para cada segmento de preço(Ex: Uma para produtos baratos, outra para médios e outra para produtos premium)
- Várias marcas próprias para cada segmento de produto(Ex: Uma para iogurtes, outra para bolachas, outra para bebidas)
- Combinação das duas últimas opções

17. Acha que um retalhista devia usar o seu nome nas marcas próprias? (Ex: Continente Seleção, Continente Bio, etc.) *

- Sim
- Não

Dados Pessoais

18. Género *

- ◯ Masculino
- ◯ Feminino
- ◯ Prefiro não dizer

19. Idade *

- ◯ <18
- ◯ 18-24
- ◯ 25-34
- ◯ 35-44
- ◯ 45-54
- ◯ 55-64
- ◯ >64

20. Região de Residência *

- Área Metropolitana de Lisboa
- Área Metropolitana do Porto
- Norte
- Centro
- Alentejo
- Algarve
- Açores
- Madeira
- Outra: ____

21. Rendimento Mensal Líquido do Agregado Familiar *

- <1000€
- 1000-1500€
- 1500-2000€
- 2000-3000€
- 3000-5000€
- >5000€

22. Habilitações Académicas (Grau mais alto que alcançou) *

- Ensino Básico
- Ensino Secundário
- Licenciatura
- Mestrado
- Doutoramento
- Outra: ______